

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

ISSUED THE TENTH OF EACH MONTH
5 NASSAU STREET, NEW YORK, N.Y.

SUBSCRIPTION ONE DOLLAR A YEAR.
Entered as second-class matter, May 5, 1909, at the Post Office at New York, N. Y.,
under the Act of March 3, 1879.
Copyright 1912 by The American Bankers Association.

Vol. 5

NOVEMBER, 1912

No. 5

OFFICERS AMERICAN BANKERS ASSOCIATION, 1912-1913.

PRESIDENT:		TREASURER:	
CHARLES H. HUTTIG, Pres. Third Nat. Bank, St. Louis, Mo.		J. FLETCHER FARRELL, V.-Pres. Ft. Dearborn Nat. Bk., Chicago.	
FIRST VICE-PRESIDENT:		ASSISTANT SECRETARY:	
ARTHUR REYNOLDS, Pres. Des Moines Nat. Bank, Des Moines, Ia.		WILLIAM G. FITZWILSON, 5 Nassau Street, New York City.	
CHAIRMAN EXECUTIVE COUNCIL:		GENERAL COUNSEL:	
T. J. DAVIS, Cashier First National Bank, Cincinnati, Ohio.		THOMAS B. PATON, 5 Nassau Street, New York City.	
GENERAL SECRETARY:		MANAGER PROTECTIVE DEPARTMENT:	
FRED. E. FARNSWORTH, 5 Nassau Street, New York City.		L. W. GAMMON, 5 Nassau Street, New York City.	

AGRICULTURAL EDUCATION AND DEVELOPMENT.

THE interest of bankers in agricultural education and development is both professional and patriotic. Under existing conditions in the United States the development of agriculture depends primarily upon the education of agriculturists. Only through such education and consequent development can the present disproportion between city and country population and industry be adjusted and a substantial foundation constructed for agricultural loans. The primary essential of credit is security and the primary essential of security in agriculture as in every other business is scientific administration and systematic accounting. Agricultural education is therefore inseparable from agricultural finance.

The movement to promote agricultural education is due to the exceptional importance of agriculture rather than to any presumption of exceptional deficiency among agriculturists themselves. The only just charge of vocational ignorance against farmers is the same charge that can be made against bankers and others. That is that they have not kept up with the science of their business. The advocacy of agricultural education therefore reflects no more discredit upon the rank and file of farmers than the advocacy of scientific currency reflects discredit upon the rank and file of bankers. Advanced ideas in my vocation come from theorists and experimenters and not from practitioners.

Existing educational institutions and methods

logically developed promise to provide suitable agricultural instruction for coming generations, but the present problem paramount is to bring individually to farmers of the present generation some of the abundance of scientific knowledge possessed by educated specialists. This can only be done effectively through the location of agricultural experts in all rural counties, who like local physicians may be personally consulted at all times and under all circumstances. Such experts should possess sufficient intelligence and personality to discuss practical farming with practical farmers on common ground and in common language.

ONE CENT LETTER POSTAGE.



The National One Cent Letter Postage Association, which was organized for the purpose of securing one cent letter postage, is carrying on a vigorous campaign to create sentiment favoring such a measure.

The Association will furnish in any quantities, free of charge, publicity stamps, a fac simile of which is given at the head of this item.

Applications for these stamps should be sent to the National One Cent Letter Postage Association, New England Building, Euclid Avenue, Cleveland, Ohio.



TRUST COMPANY SECTION



Officers, 1912-1913.

PRESIDENT:

WILLIAM C. POILLON, Vice-President Bankers Trust Company, New York, N. Y.

FIRST VICE-PRESIDENT:

F. H. GOFF, President Cleveland Trust Company, Cleveland, O.

CHAIRMAN EXECUTIVE COMMITTEE:

RALPH W. CUTLER, President Hartford Trust Co., Hartford, Conn.

SECRETARY:

PHILIP S. BABCOCK, 5 Nassau Street, New York City.

STATE VICE-PRESIDENTS AND COMMITTEES.

FOR the information of members of the Trust Company Section we publish below a list giving the names of members of Committees of the Section for the ensuing year, together with the Vice-Presidents for the various states, who have up to this time accepted their appointment. Only four or five states are yet to be heard from to complete the list, and it is hoped that we may be in a position to announce these names next month:

EXECUTIVE COMMITTEE.

Members Ex-officio.

F. H. Fries, President Wachovia Bank & Trust Company, Winston-Salem, N. C.
Oliver C. Fuller, President Wisconsin Trust Company, Milwaukee, Wis.
H. P. McIntosh, President Guardian Trust & Savings Bank, Cleveland, Ohio.

(Term Expiring 1913)

J. C. Drake, President Los Angeles Trust & Savings Bank, Los Angeles, Cal.
C. O. Patch, Vice-President Security Trust Company, Detroit, Mich.
E. Elmer Foye, Vice-President Old Colony Trust Company, Boston, Mass.
Isaac H. Orr, Trust Officer St. Louis Union Trust Company, St. Louis, Mo.
Ralph W. Cutler, President Hartford Trust Company, Hartford, Conn.

(Term Expiring 1914)

Lynn H. Dinkins, President Interstate Trust & Banking Company, New Orleans, La.
A. J. Hemphill, President Guaranty Trust Company, New York City.
P. C. Kauffman, Vice-President Fidelity Trust Company, Tacoma, Wash.
Solomon A. Smith, Vice-President Northern Trust Company, Chicago, Ill.
John H. Mason, Vice-President Commercial Trust Company, Philadelphia, Pa.

(Term Expiring 1915)

Uzal H. McCarter, President Fidelity Trust Company, Newark, N. J.
John W. Platten, President United States Mortgage & Trust Company, New York, N. Y.
E. D. Hulbert, Vice-President Merchants Loan & Trust Company, Chicago, Ill.
Sam W. Reyburn, President Union Trust Company, Little Rock, Ark.
Herbert A. Rhoades, President Dorchester Trust Company, Boston, Mass.

COMMITTEE ON LEGISLATION.

F. H. Fries, President Wachovia Bank & Trust Company, Winston-Salem, N. C., Chairman.
William C. Poillon, Vice-President Bankers Trust Company, New York, N. Y.
F. H. Goff, President Cleveland Trust Company, Cleveland, Ohio.
Oliver C. Fuller, President Wisconsin Trust Company, Milwaukee, Wis.
Ralph W. Cutler, President Hartford Trust Company, Hartford, Conn.

COMMITTEE ON PROTECTIVE LAWS.

Lynn H. Dinkins, President Interstate Trust & Banking Company, New Orleans, La., Chairman
Sam W. Reyburn, President Union Trust Company, Little Rock, Ark.
P. C. Kauffman, Second Vice-President Fidelity Trust Company, Tacoma, Wash.
Herbert A. Rhoades, President Dorchester Trust Company, Boston, Mass.
E. D. Hulbert, Vice-President Merchants Loan & Trust Company, Chicago, Ill.

VICE-PRESIDENTS.

Alabama—C. M. Williamson, Cashier American Trust & Savings Bank, Birmingham.
Arizona—N. E. Plumer, President Southern Arizona Bank & Trust Company, Tucson.
Arkansas—W. L. Hemingway, Vice-President Mercantile Trust Company, Little Rock.
Colorado—Theodore G. Smith, Vice-President International Trust Company, Denver.
Connecticut—R. La Motte Russell, Treasurer Manchester Trust Company, South Manchester.
Delaware—S. D. Townsend, Vice-President Wilmington Trust Company, Wilmington.
District of Columbia—Charles J. Bell, President American Security & Trust Company, Washington.
Florida—Henry G. Aird, Vice-President Guaranty Trust & Savings Bank, Jacksonville.
Georgia—E. Woodruff, President Trust Company of Georgia, Atlanta.
Illinois—Lucius Teter, President Chicago Savings Bank & Trust Company, Chicago.
Indiana—John H. Holliday, President Union Trust Company, Indianapolis.
Iowa—James F. Toy, President Farmers Loan & Trust Company, Sioux City.
Kentucky—John Stites, Vice-President Louisville Trust Company, Louisville.
Louisiana—L. M. Pool, Vice-President Hibernia Bank & Trust Company, New Orleans.
Maine—H. W. Cushman, President Merrill Trust Company, Bangor.
Maryland—M. H. Grape, Assistant Treasurer Continental Trust Company, Baltimore.
Michigan—Frank W. Blair, President Union Trust Company, Detroit.

- Minnesota—J. W. Wheeler, President Capital Trust Company, St. Paul.
 Mississippi—W. M. Anderson, President Merchants Bank & Trust Company, Jacksonville.
 Missouri—Thornton Cooke, Vice-President Fidelity Trust Company, Kansas City.
 Montana—C. C. Swinborne, Treasurer and Secretary Daly Bank & Trust Company, Butte.
 Nebraska—R. C. Peters, President Peters Trust Company, Omaha.
 New Jersey—J. Herbert Case, Vice-President Plainfield Trust Company, Plainfield.
 New York—W. B. Cardozo, Vice-President Farmers' Loan & Trust Company, New York.
 Ohio—Wilbur M. Baldwin, Assistant Treasurer Citizens Savings & Trust Company, Cleveland.
 Pennsylvania—George H. Stuart 3rd., Assistant Treasurer Girard Trust Company, Philadelphia.
 Rhode Island—Aram J. Pothier, President Union Trust Company, Providence.
 South Carolina—John F. Ficken, President South Carolina Loan & Trust Company, Charleston.
 South Dakota—W. E. Stevens, President State Bank & Trust Company, Sioux Falls.
 Tennessee—A. M. Shook, President First Savings Bank & Trust Company, Nashville.
 Texas—Edwin Hobby, Cashier Guaranty State Bank & Trust Company, Dallas.
 Vermont—F. G. Howland, Treasurer Barre Savings Bank & Trust Company, Barre.
 Washington—James C. Cunningham, Vice-President Union Trust & Savings Bank, Spokane.
 Wisconsin—Robert Camp, President First Savings & Trust Company, Milwaukee.

A. B. A. MORTUARY RECORD REPORTED DURING OCTOBER.

- Agnew, Andrew Gifford—Director Farmers Loan and Trust Company, New York City.
 Alricks, William Kerr—President Dauphin Deposit Trust Company, Harrisburg, Pa.
 Barker, N. E.—Vice-President Bank of Commerce and Trust Company, San Diego, Cal.
 Bigelow, William H.—Vice-President Citizens Savings Bank, Owosso, Mich.
 Boder, Louis F.—Vice-President First National Bank, St. Joseph, Mo.
 Brillhart, George O.—Vice-President First National Bank, New Windsor, Md.
 Brown, Layton S.—Director City National Bank, Gloversville, N. Y.
 Byers, A. Walter—Director Southwest National Bank of Commerce, Kansas City, Mo.
 Chattell, Bertram M.—Cashier Illinois Trust & Savings Bank, Chicago, Ill.
 Corbin, William H.—Director First National Bank, Jersey City, N. J.
 Crocker, Henry J.—Vice-President Italian-American Bank and Director American National Bank, San Francisco, Cal.
 Darlington, Jesse—President Charter National Bank, Media, Pa.
 Doty, Henry F.—Director First National Bank, Hillsdale, Mich.
 Eastman, Charles E.—Director Littleton National Bank, Littleton, N. H.
 Elzer, Peter—Director All-Nations Deposit Bank, Pittsburgh, Pa.
 Fontaine, Noland—Director Union & Planters Bank & Trust Company, Memphis, Tenn.
 Garaman, Dr. W. A.—President First National Bank, Berlin, Pa.
 Garvan, Patrick—Director Riverside Trust Company, Hartford, Conn.
 Getchell, Seth Sherman—President National Globe Bank, Minneapolis, Minn.
 Griffith, Lewis E.—Director National Bank of Watervliet, Watervliet, N. Y.
 Heffner, George R.—Director National Marine Bank, Baltimore, Md.
 Hoos, Edward—President Merchants National Bank, Jersey City, N. J.
 Hyneman, E. H.—President State Bank of Lexington, Lexington, Ill.
 Jennings, John V.—President Columbia National Bank, Pittsburgh, Pa.
 Kelly, James Roberts—President Hibernia Savings & Loan Society, San Francisco, Cal.
 Kennett, William P.—President German-American Bank, St. Louis, Mo.
 Kunkel, John Harold—Of H. B. Hollins & Company, New York City.
 Lebeau, J. Marcy—Director Bank of New Roads, New Roads, La.
 Logie, William—Director Peoples Savings Bank, Grand Rapids, Mich.
 McLallan, Henry—President First National Bank, Columbia City, Ind.
 Malcolm, James—Vice-President Oyster Bay Bank, Oyster Bay, N. Y.
 Mitten, Thomas B.—Vice-President West Side Bank, West Pittston, Pa.
 Morrison, George C.—First Vice-President The Baltimore Trust Company, Baltimore, Md.
 Newman, Simon—Director Bank of Newman, Newman, Cal.
 Patterson, Jen—Cashier Citizens State Bank, Big Timber, Mont.
 Prentiss, F. W.—President Hayden-Clinton National Bank, Columbus, Ohio.
 Rising, Franklin A.—Founder, Trustee and Cashier The Winona Sav. Bank, Winona, Minn.
 Rupp, George—Director Hamilton Dime Savings Bank, Hamilton, Ohio.
 Ryan, James J.—Treasurer Metropolitan Savings Bank, Baltimore, Md.
 Sandifer, H. G.—Cashier Boyle Bank & Trust Company, Danville, Ky.
 Sherman, James S.—President Utica Trust & Deposit Company, Utica, N. Y., and Vice-President of the United States.
 Smith, Sherburn Merrill—President Wendell State Bank, Wendell, Idaho.
 Wells, George W.—Trustee Southbridge Savings Bank, Southbridge, Mass.
 Wilson, Col. William Lewis—President Nebraska City National Bank, Nebraska City, Neb.



SAVINGS BANK SECTION

Officers, 1912-1913.

PRESIDENT:

R. C. STEPHENSON, Vice-President St. Joseph County Savings Bank, South Bend, Ind.

FIRST VICE-PRESIDENT:

J. F. SARTORI, President Security Trust & Savings Bank, Los Angeles, Cal.

CHAIRMAN EXECUTIVE COMMITTEE:

W. E. KNOX, Comptroller Bowery Savings Bank, New York, N. Y.

SECRETARY:

E. G. McWILLIAM, 5 Nassau Street, New York, N. Y.

CORRECTIONS AND ADDITIONS TO LIST OF VICE-PRESIDENTS OF SAVINGS BANK SECTION.

Arkansas.

Moorhead Wright, vice-president and treasurer Union Trust Co. of Little Rock, has been appointed vice-president of the Savings Bank Section in this state in place of S. W. Reyburn, who begged to be relieved.

Canada.

In order that we may have a representative in Canada, W. G. Gooderman, vice-president Bank of Toronto, Toronto, has been appointed our vice-president for Canada.

Cuba.

Also, A. N. Ruz Sauvalle, manager Savings Department National Bank of Cuba, Havana, has been appointed vice-president for Cuba in order that we may be properly represented there.

Through error, Mr. F. E. Bryant's name, as vice-president for Indiana, was printed F. C. Bryant, and the name of Charles W. Ross, vice-president for North Dakota, was printed Charles H. Ross. We trust these gentlemen will pardon the errors which we are most happy to correct.

Campaign of Education.

The following letter has been addressed to every one of our vice-presidents:

Dear Sir:

On behalf of the Methods and Systems Committee of our Section, having in charge the campaign of education in saving and thrift, which was unanimously endorsed at the Detroit convention, I beg to say that your co-operation is earnestly desired toward energetically conducting this campaign in your state, and I hand you herewith the names of those of said state who have evidenced a lively interest in this work, and by the aid of whom it is hoped you will form an active committee of which you will be chairman.

As early as possible after such committee is formed, it is hoped that either through correspondence or personal consultation you will decide on some definite lines of activity, bearing in mind that the idea is to educate the public in the necessity of thrift and the curtailment of extravagance, rather than to

immediately increase the deposits of any one institution.

To this end we earnestly suggest the school savings bank as a starting point, endeavoring to secure its organization in every city of any size in your state. Then taking up the matter of educational advertising either by individual banks or as communities, supplementing same with pamphlets, lectures by bank officers, or any other means which would be of value in your state.

We shall endeavor to care for this locality from this office, at the same time preparing some educational advertising matter which we will issue in bulletin form under copyright, for distribution to our members.

This work has been hailed in various sections of our country as one of the greatest campaigns ever waged for the good of the American people, but we can only hope to accomplish that good by a hearty co-operation on the part of all.

Trusting that I may hear from you in the very near future, stating that the work is under way in your state, I am,

Very respectfully,

(Signed) E. G. McWILLIAM,

Secretary.

Besides this, a letter has been addressed to everyone who was good enough to communicate with us in regard to this matter, advising what has been done and suggesting that they place themselves at the disposal of their respective vice-presidents for the purpose of perfecting an organization to energetically carry on this work in each state.

It is hoped that those who could not find time to write us during that busy period in July when our first communication went out, will not hesitate to join in the movement now, and will immediately write their vice-president, as per list published in last month's Journal-Bulletin, and corrected in this issue.

Now then, gentlemen, without co-operation we can accomplish nothing. The man in New York can not tell the man in Texas how to take up this problem. It must be solved by local men who understand better than anyone else, local conditions. Therefore, if you believe that in educating the public in the principles of thrift, the curtailment of extravagance, and

in the nature and functions of savings banks, you are rendering your nation a great economic service, which at the same time will eventually return a hundred fold to savings banks and departments, lend your aid to the bankers of your state who are taking up this work, for it is worthy of the best effort of every broad-minded patriotic citizen.

Where shall you begin? Why with the school savings bank. There is no more logical place to begin than with the children, and already in twenty-eight states there are 168,000 school children whose accounts aggregate nearly one million dollars. What if that class of business does not pay at first? It is the best kind of advertising. The boy or girl will not readily forget the bank which helped him or her to begin to save, and as they mature in years, so will their accounts mature in dollars. If the principles of thrift are thoroughly inculcated in the children, the problem of reaching the men and women will speedily be reduced. But as it exists today, let us use every method, no matter how novel it may be, to impress the value of saving and economy, explaining the safeguards which are thrown around savings in most states and working to secure them where they do not exist. The results of a few years' persistent effort along these lines will surely astonish us.

What They Think of It in Georgia.

By John M. Oskison of Atlanta.

"One of the greatest campaigns ever waged for the good of the American people," is the way an enthusiastic friend of mine describes the project of the American Bankers Association to undertake to teach thrift in a wholesale way. What that body proposes to do is to undertake to tell everybody in the country, through advertising and other methods of publicity, that it is desirable to have a bank account and to spend less than you earn.

"It is shameful," said my friend, "that we Americans are the most wasteful nation in the world. Only 18 per cent. of our population, according to the best

figures obtainable, have savings bank accounts, whereas in Switzerland the savings depositors number 54 per cent. of the population. Even in war-burdened and poverty-stricken Japan the percentage is 27."

All of this is true and ought to be changed. We have the greatest money makers in the world in this country, and it is all right to boast of having the greatest spenders, too. We are not a nation of misers, and ought not to become one. But when you begin to see the advertisements urging you to practice thrift, when you hear the lecturers who are going about to preach thrift from platforms the country over, don't make the mistake of thinking you are being urged to imitate old Skinfint, the town miser. The banks could not live if they had to depend on the miser type for their business. The man they want to interest is the man Stevenson had in mind when he wrote that "to earn a little and spend a little less" was one prerequisite to happiness.

Think of the thrifty man as the happy man, and you have a new standard for measuring the value of saving.

"FINGER PRINTS PROVEN PRACTICAL."

UNDER this caption we have issued a folder, printed in two colors, describing the first case that has come to our attention where forgery was frustrated by finger prints, and the would-be forger landed in jail. This has been mailed to all members of the Savings Bank Section.

It has been suggested that this might be a good piece of advertising for the banks already using finger prints, and we are in a position to furnish this folder, printed with name of bank substituted for ours, together with a line added "We use finger prints," in lots of five hundred for \$9.00, and lots of one thousand for \$12.25 f. o. b. N. Y. Orders will receive prompt attention from E. G. McWilliam, Secretary Savings Bank Section, Five Nassau Street, New York City.

PROCEEDINGS FOR SALE.

THE Trust Company Section has on hand a number of handsomely bound copies of Proceedings of the Section. Volume one contains the proceedings from 1896 to 1903 inclusive, and volume two the proceedings from 1904 to 1908 inclusive. These two volumes contain many important reports, addresses and discussions on matters of great interest to Trust Company officers and their employees. It is confidently believed that in no other books could so wide a range of Trust Company information be obtained. A great many copies have been sold but in order to make room for other matter the remaining volumes, as long as they last will be sold at fifty cents each, postage to be paid by the purchaser. Orders should be sent to the Secretary, who will forward the books promptly.

VOLUME 4 OF THE JOURNAL-BULLETIN.

VOLUME 4 of the Journal-Bulletin is composed of the twelve numbers commencing with July, 1911, and ending with June, 1912, together with a general index compiled in alphabetical order under various headings, so that it makes a useful book for ready reference. Several copies of this volume have been handsomely bound in three-quarter leather to match previous volumes. Anyone desiring such bound copies can obtain same at cost (\$2.50) by advising this office. We have also on hand a few copies of Volumes 1, 2 and 3.

Those who desire to preserve the Journal-Bulletin in bound form, and are in need of any numbers to complete Volumes 4, can be supplied from our surplus files until our supply is exhausted.



CLEARING HOUSE SECTION



Officers, 1912-1913.

PRESIDENT:

RALPH VAN VECHTEN, Vice-President Continental and Commercial National Bank, Chicago, Ill.

VICE-PRESIDENT:

JOHN K. OTTLEY, Vice-President Fourth National Bank, Atlanta, Ga.

CHAIRMAN EXECUTIVE COMMITTEE:

A. O. WILSON, Vice-President State National Bank, St. Louis, Mo.

SECRETARY:

O. HOWARD WOLFE, 5 Nassau Street, New York.

THE NUMERICAL SYSTEM AND ANALYSIS.

THE attacks and criticisms which were for a time directed against the Numerical System by a few bankers on the score of its "interference" with exact methods of analysis, have gradually subsided. This is largely due to the fact that it is now generally understood that we do not insist upon the unrestricted use of the system, but only on the proper appearance of the numbers on all checks and endorsement stamps, leaving the actual use of the numbers as a matter of individual choice. Analysis men are finding that there are ways of conducting an entirely satisfactory analysis of letters in which the items are described by number instead of name, and the prize paper for the best system was printed in full in the Journal-Bulletin issue of September.

The other papers, with one exception, were along the same line and we print from them below, not using the text in full, since the actual plans suggested are almost identical with what was described in the prize paper. We, therefore, merely add additional suggestions and arguments picked from the second prize paper and three others which were awarded special prizes.

"The analysis departments of a great many banks are making strong protests against the adoption of the Numerical System on the ground that it will considerably increase their labor and make it extremely difficult to obtain correct results. At first glance this seems to be true, but a little quiet thought and study will bring a gleam of light that will help much toward solving the problem. If every bank of the country were to adopt this system it would mean the saving of hours of time and would shorten the working day of a great many clerks. It is like anything else new and radical, it is hard to see where a change for improvement can be made. We like to adhere to old methods and ways. They seem so much easier and we know them better, but after a change is made and found satisfactory in every way we wonder how it was so hard to be convinced. It is so with this system, it is new and means radical changes in the systems of the banks, but it is necessary as the present methods have become clogged and retrogressive. We must devise new ways of handling our fast growing business and the adoption of the Numerical System will do lots to improve conditions. It only needs

the co-operation of all banks and the falling in line of the analytical departments to insure success. The Numerical System should prove a boon to the men who have analytical work to do."

"If all the banks in the country charged the same rate of exchange on all transit items received for collection the work of the Analysis Department would be simple. But banks in the same city may charge different rates of exchange. Thus, when connections are maintained with several banks so located, the analysis clerk must know the peculiarities of each account or connection. This is one feature of the subject which must be kept in view. Again, certain clearing house associations have rules under which items drawn on their constituent members are subject to certain fixed rates of exchange for collection. Other clearing house associations have tariffs showing rates of exchange and time outstanding on transit items payable in neighboring towns and surrounding territory and states. Further, a bank may collect through several correspondents items drawn on one and the same state. Perhaps enough has been said to indicate the nature of the troublesome peculiarities suggested.

"The memory of the analysis clerk disposed of these difficulties and peculiarities under the old systems. Do they stump him now? Can they be discounted under the Numerical System? That is the question. For, what is needed today is a system that will make numerical analysis easy; a system which will not involve the necessity of a great amount of numbers being memorized by the analysis clerk. Such a system will now be propounded. It will be shown that this system is practical, easy, expeditious, and, withal, accurate. It will be readily conceived that the majority of any bank's connections and correspondents are located in that bank's territory and state. With remote states fewer connections exist, and with the states farthest distant perhaps not more than three connections are maintained. Under the system here described, the analysis clerk has before him on his desk a card showing his local (same state) connections. This card shows the various banks' numbers and rates of exchange, the numbers appearing in numerical order. If this particular bank is located in Pennsylvania, the 'local card' will be card '60,' so numbered at the top, '60' being the prefix num-

ber of the state. Another card will show connections and collecting points in neighboring states; and this card will naturally have fewer numbers on it than the 'local card' or same state card. The farther distant the state, the fewer the points necessary to list. The system admits of condensation in such a way that in few cases will it be found necessary to have more than two cards altogether. The analysis clerk need know no more numbers than appear on his cards, and as they are not many, his troubles are, in practice as compared to the old systems, greatly diminished."

"It will be a very easy matter to make up a list of the states and large cities in the different sections with their numbers which will not be any larger than the New York Clearing House list of banks and which can be easily memorized.

"You can quickly see that if the number of the state be the only one that you need know, that your task will be very much simplified. Experience in analyzing prompts me to suggest that each bank divide the country into sections, according to its location, find the average cost per thousand and time outstanding for each section and analyze by states. This in some cases will be a bit difficult, but it can be done. Analytical work is more or less approximation, correct results being hard to obtain, approximate results are close enough for the purpose.

"The listing of the names on incoming letters of points throughout the country make analyzing very difficult because there are so many towns and cities of the same name which lead to guesswork. The use of the state numbers will make the location of these places much easier and insure better results.

"A tabulated list of the numbers of all the states and large cities divided into their respective sections together with approximate exchange charges and time outstanding should make the work of the analysis clerk much easier than it is today. To make the above a success it will be necessary for banks to have on their checks the state, city and bank numbers.

"The hardest point to overcome will be the analyzing of local states. Each bank probably has the same problem to solve, namely, the exchange rates. A great many of the small country banks thrive on their exchange accounts, making it practically impossible to arrive at a fixed rate for the state. An approximate rate, however, can be obtained. Take a period of time, the amount of foreign collections, the length of time outstanding, the exchange paid in that period, divide the amount of collections into the cost, convert that into a rate and use that rate as the rate for the entire state."

"In making up a chart, the first thing to do is to designate the state by its numerical prefix number, and immediately under it place the reserve cities located in the state with their prefix number. Also designate the average time consumed for transit items reading points in the state. Should there be any variations in the time, the correct time can be notated opposite the name of the city.

"The time consumed in transit is only one of the general elements in the discussion of this subject. Another feature is the exchange charges upon the

banking points in question, and to combine both features into a concise form for immediate information is the problem which we have to solve.

"Let us look at the new Numerical Transit System for a minute.

"Illinois, whose prefix number is 70, lists 1684 banks. By actual count, the State of Illinois has 844 banking points, which is only 50 per cent. of the number of banks listed.

"A few of the other states containing large listings are: Iowa, 1667 banks with 1003 banking points; Pennsylvania, 1406 with 595 banking points; Ohio, 1298 with 598 banking points; and New York, 910 with 432 banking points.

"The par facilities out of 844 banking points in Illinois are 467 par points, leaving but 367 non-par points.

"The ratio, after careful study which has been given for the proper presentment of this discussion has been found for par points in the different states to be around an average of 50 per cent.

"With this argument, it is conclusive that just a little study upon the part of an analysis clerk will enable him to practically memorize all the points which charge exchange. This may seem hardly possible when taking in the number of points, but then with the aid of a chart properly made out, the solution of this problem is very easy.

"Although Illinois lists 1684 banks, there are only 367 banking points which need consideration.

"If you can collect an item upon a certain town in one day, at par, it is useless for you to make mention of the fact upon your chart. By the process of elimination, you can have listed only those banking points which are at variance with the general trend of items in any particular state."

[Many banks believe that the best way to analyze is not from the letter, but from the items themselves. With this class of analysis, the Numerical System has, of course, nothing to do. We quote from one paper which is the exception spoken of, and in which the writer recommends the direct analysis from the items.]

"I am sure that all analysis men will agree with me when I say that a more satisfactory analysis can be made from the items themselves than from the letters on which they are listed, whether the place of payment be designated on the letters by means of names or numbers. For example: A check for \$4,000 might be dated Baltimore, Md., and be payable at some bank in Charleston, S. C., and the clerk in listing the item might inadvertently write Baltimore, Md., instead of Charleston, S. C., opposite the amount. The analysis clerk in analyzing the letter would give this particular item the Baltimore rate, which might be PAR, whereas if he had the check before him, he would give it the true rate of, say, $\frac{1}{2}$ of 1 per cent. or \$5, this being the usual charge made by Charleston institutions in accordance with their Clearing House rules. Again: If the names of the places listed on the letters opposite the amount of the items were poorly written so as to make them almost unreadable, as is very often the case, or, if they were considerably abbreviated, a great deal of time might be consumed in ascertaining the place of payment, and

perhaps it would be mere guesswork after all. By having the checks to analyze from, therefore all guesswork would be eliminated."

"It should be borne in mind that the system if adopted by all the banks, or by a majority of them, would lessen the work of several thousand transit men while affecting comparatively few analysis men."

UNIFORM CLEARING REPORTS AND UNIFORM BANK TRANSACTIONS.

WE have been advised by one of the large mercantile agencies that several clearing houses, members of this Section, have begun to send in, as their report of clearings, the totals of bank transactions. This is a mistake and one which we have tried to avoid by pointing out very carefully the distinction between Uniform Bank Clearings and Uniform Bank Transactions. The latter statistics will be tabulated by this office for the period of one year, and not by any mercantile agency. Furthermore, it is not the intention that the bank transactions statistics shall do away with the reports of Clearing House Transactions as represented by total clearings.

A few minor questions have yet to be settled before we can begin with our new list of figures, but it is quite likely that beginning January 1, 1913, the members of this Section will be asked to begin reporting to us the totals of their total bank transactions. These figures are from 100 per cent. to 200 per cent. larger than total clearings and do not represent exchanges between banks merely, but almost the entire commercial exchanges of the city, as represented by the use of checks and drafts in paying indebtedness. Let us hope that we will have a list of at least 25 of the representative cities to begin with. If your Clearing House is one of those which have deferred action on the matter we should appreciate hearing from you as soon as possible, since we want to begin with a sufficient number of cities that the figures will possess value from the very start. Once the matter is clearly understood, we expect that every Clearing House in the country will co-operate.

KEY TO THE NUMERICAL SYSTEM.

SUPPLEMENT Number 2 to the Key to the Numerical System, showing all changes to September 1, is ready for distribution and will be sent, free of charge, on request, to all purchasers of the Key, by the publishers, Messrs. Rand-McNally & Company of Chicago, Ill.

The Key to the Numerical System is a useful book and doubly so in that purchasers on request, receive these supplements containing a complete record of new banks, consolidations, mergers, changes in clearing house numbers, etc. The Key may be obtained either from the publishers or from the American Bankers Association, for \$1.50; charges prepaid. Your transit department will find the book very valuable.

REGISTRATION AT OFFICES.

THE following visitors registered at the Association offices during the month of October:

Boyle, W. E., Philadelphia National Bank, Philadelphia, Pa.
 Brothwell, O. H., Cashier First Bridgeport National Bank, Bridgeport, Conn.
 Buckley, Harry L., Clerk First National Bank, New Bedford, Mass.
 Burrows, Chas. Wm., National One-Cent Letter Postage Association, Cleveland, Ohio.
 Cox, John D., Vice-President Banking and Trust Company, Jonesboro, Tenn.
 Crane, R. B., Vice-President National Bank of Commerce, Toledo, Ohio.
 Currey, Bradley, Paying Teller Fourth and First National Bank, Nashville, Tenn.
 De Lamater, John H., New York City.
 Dismukes, J. T., President First National Bank, St. Augustine, Fla.
 Duncan, James, Cashier Peoples Bank for Savings, St. Augustine, Fla.
 Edwards, G. E., President Dollar Savings Bank, New York City.
 Erdman, A. J., Partner Halle & Stieglitz, New York City.
 Evans, E. S., President Realty & Investment Company, Richmond, Va.
 Fancher, E. R., Vice-President Union National Bank, Cleveland, Ohio.
 Fuller, Oliver C., President Wisconsin Trust Company, Milwaukee, Wis.
 Gesner, John M., Cashier Nyack National Bank, Nyack, N. Y.
 Gillespie, Robert, with E. S. Willard & Co., New York City.
 Griffing, M. H., Cashier City National Bank, Danbury, Conn.
 Gurney, E. R., Vice-President First National Bank, Fremont, Neb.
 Harper, E. S., Assistant Treasurer Continental Trust Co., Denver, Colo.
 Hilton, F. L., Assistant Cashier Merchants National Bank, New York City.
 Hopkins, C. L., Cashier First National Bank, Norwich, Conn.
 Hoyt, C. E., Treasurer South Norwalk Trust Co., South Norwalk, Conn.
 Huxford, E. D., President Cherokee State Bank, Cherokee, Iowa.
 Huxford, Mrs. E. D., Cherokee, Iowa.
 Hyde, F. W., Cashier National Chautauqua County Bank, Jamestown, N. Y.
 Kern, Chas. E., Manager Bureau Corporate and Financial Information, Washington, D. C.
 Knox, W. E., Comptroller The Bowery Savings Bank, New York City.
 Livingstone, William, President Dime Savings Bank, Detroit, Mich.
 McCaffrey, Wm. T., Bookkeeper Syracuse Savings Bank, Syracuse, N. Y.
 McIntosh, George T., National One-Cent Letter Postage Association, Cleveland, Ohio.
 McNelly, W. W., Auditor First Savings Bank & Trust Co., Nashville, Tenn.
 Madden, Thomas F., Passenger Agent Canadian Pacific R. R., New York City.
 Marchmont, John H., New York City.
 Martin, Henry W., Loan Clerk, New Netherland Bank, New York City.
 Mayfield, F. M., Secretary Tennessee Bankers Association, Nashville, Tenn.
 Mentzel, J., New York City.
 Schwacke, E., Philadelphia National Bank, Philadelphia, Pa.
 Sheridan, William P., New York City.
 Smith, Wm. Simpson, New York City.
 Titus, A. H., Assistant Cashier, National City Bank, New York City.
 Ward, A. F., Hollinghead & Campbell, New York City.
 West, C. B., New York Herald, New York City.

STATE SECRETARIES SECTION

Officers, 1912-1913.

PRESIDENT:

W. C. MACFADDEN, Sec. N. Dak. Bankers Assn., Fargo, N. D.

FIRST VICE-PRESIDENT:

W. W. BOWMAN, Secretary Kansas Bankers Association, Topeka.

SECOND VICE-PRESIDENT:

P. W. HALL, Secretary Iowa Bankers Association, Des Moines.

SECRETARY-TREASURER:

W. B. HARRISON, Secretary Oklahoma Bankers Association, Enid.

CONVENTIONS HELD IN OCTOBER.

KENTUCKY:

THE twentieth annual convention of the Kentucky Bankers Association was held at Louisville, Wednesday and Thursday, October 2 and 3. The headquarters were at the Henry Watterson Hotel, the business sessions being held in the Convention Hall. There was a large attendance, and a great deal of interest manifested in the meetings.

President J. K. Waller, president of the Peoples' Bank and Trust Company, Morganfield, called the convention to order. The Rev. David C. Wright, rector of St. Paul's Church, pronounced the invocation on the first day and the Rev. Aquilla Webb, D.D., of the Warren Memorial Church, on the second day. An address of welcome was made by R. Thurston Ballard, vice-president of the Louisville National Banking Company, Louisville, to which B. M. Arnett, cashier of the Farmers Exchange Bank, Nicholasville, responded.

President Waller, in his annual address, felicitated the Association on the progress it had made, expressing his approval of the Group System and of county organization which, he said, were important factors in bringing the membership of the Association up to ninety-seven per cent. of the banking institutions in the state.

The reports of Secretary Arch B. Davis and of Treasurer Henry D. Ormsby showed that the Association had made rapid progress in different lines of work and was in splendid financial condition. The reports of the Executive and other committees of the Association were submitted and unanimously approved.

Addresses were delivered at the convention as follows: "Relation of the Banker to Money, Morals and Happiness," Hon. F. W. Miller, director and attorney, Bank of Union County, Morganfield; "Items in Transit," C. R. McKay, manager Transit Department, First National Bank, Chicago, Ill.; "The Law of Good Neighborhood Among Bankers and the People," R. N. Cook, cashier Farmers Bank & Trust Company, Bardstown; "Are Savings Departments Profitable to the Interior Banks?" Hon. E. S. Clarke, president Citizens Bank, Falmouth; "Trials of the Interior Banker," E. J. Buckingham, cashier Paintsville National Bank, Paintsville. Col. Fred. E. Farnsworth, General Secretary of the American Bankers Association also made an address in which he gave some interesting history of the prominent part Kentucky bankers had taken in the work of the American Bankers Association.

Resolutions were adopted approving the recommendation of President Waller for the formation of county associations of bankers; the "Blue Sky Law" and the adoption of similar legislation in Kentucky; asking equitable assessment by the state; and urging Congress to adopt some sane system of currency reform.

The entertainment provided by the local bankers included many delightful features, among which was a trip on the steamer "Columbia," a band furnishing music, and there was dancing and singing. A fish supper was served on board, and on the return to Louisville the delegates and visitors were further entertained at one of the local theatres. At noon on the first day a luncheon was given by the Clearing House Association at the Henry Watterson Hotel.

The convention elected John E. Buckingham, cashier of the Paintsville National Bank, Paintsville, as president of the Association for the ensuing year, and re-elected Arch B. Davis, of Louisville, and Henry D. Ormsby, cashier of the National Bank of Kentucky, Louisville, as secretary and treasurer, respectively. Hamlet C. Sharp, cashier State National Bank, Maysville; M. M. Waller, president Bank of Union County, Morganfield, and W. C. Montgomery, secretary Citizens Trust Company, Elizabethtown, were elected to the Executive Committee for terms of three years, to succeed Samuel Cassidy and John Stiles, of Louisville, and J. W. Porter, of Lexington.

INDIANA:

THE Indiana Bankers Association held its sixteenth annual convention at Indianapolis on Wednesday and Thursday, October 16 and 17, headquarters being at the Claypool Hotel. There were four business sessions at which there was a large attendance, including many representatives of banks from neighboring states.

On the first day, the president of the Association, Earl S. Gwin, president of the Second National Bank, New Albany, called the convention to order, followed by the singing of "America" by the entire audience, and the pronouncing of the invocation by the Rev.

M. L. Haines, pastor of the First Presbyterian Church. The Hon. Charles W. Fairbanks, former Vice-President of the United States, who was to have delivered the address of welcome, was unable to be present, and Alfred Potts acted in his place.

President Gwin, in his annual address, covered different phases of legislation, agricultural development, etc. He also paid a glowing tribute to the late Charles T. Lindsay of South Bend and Frank Martin of Indianapolis, two prominent members of the State Association, who had died during the year.

The report of Secretary Andrew Smith, vice-president of the Indiana National Bank, Indianapolis, showed that fifty-two banks had been added to the roll since the last convention, making the total membership 803. Mr. Smith also said that owing to the good work accomplished by the Protective Department, crimes against banks had diminished considerably during the year. Treasurer Hugo C. Rothert, cashier of the Huntingburg Bank, reported on the finances of the Association, showing them to be in excellent condition. The reports of the Group Chairmen and the various committees were submitted and much satisfaction expressed by the delegates on the results accomplished.

"How to Pay Greater Salaries Without Decreasing Net Profits" was the title of an address by Roger W. Babson of Wellesley Hills, Mass.

The afternoon session was devoted to the subject of agricultural development—B. F. Harris, ex-president of the Illinois Bankers Association, making an address on "Man Liveth Not to Himself Alone." A general discussion on agriculture ensued, led by Joseph Chapman, Jr., of Minneapolis, chairman of the Committee on Agricultural Development and Education of the American Bankers Association.

The meeting on Thursday morning was opened by the singing of "America," and an invocation by the Rev. A. B. Philpott, pastor of the Central Christian Church, followed by addresses by E. St. Elmo Lewis of the Burroughs Adding Machine Company, Detroit, Mich., on "Advertising to the Man in the Mirror," Harry A. Wheeler, vice-president of the Union Trust Company, Chicago, Ill., on "A Central Bureau of Credit Information," and Dick Miller, of Miller & Company, Indianapolis, on "The Kansas 'Blue Sky' Law."

In the afternoon, the Trust Company Section held a meeting. The Rev. Joshua Stansfield, D.D., pastor of the Meridian Street Methodist Episcopal Church, pronounced the invocation which was followed by the annual address of the president of the Section—Joseph E. Kelley, cashier of the Peoples Bank and Trust Company, Mount Vernon. "Observations on Bank Examinations" was the title of an address by W. H. O'Brien, auditor of the State of Indiana, and the Hon. Robert W. Bonyngue, of Denver, spoke on "Banking Reform."

The reports of Secretary Edwin H. Forry, vice-president of the Central Trust Company, Indianapolis, and of Treasurer Fred K. Shepard, secretary of the Fletcher Savings & Trust Company, Indianapolis, were submitted and approved.

A theatre party was given on Wednesday evening and a beefsteak dinner at the German House on Thursday evening, followed by high class vaudeville.

The officers elected for the ensuing year are as follows: President, J. L. McCulloch, president of the Marion National Bank, Marion; vice-president, M. S. Sonntag, president of the American Trust and Savings Bank, Evansville; secretary, Andrew Smith, vice-president Indiana National Bank, Indianapolis (re-elected); treasurer, Claude S. Kitterman, president of the First National Bank, Cambridge City.

ARIZONA:

THE ninth annual convention of the Arizona Bankers Association was held at Tucson, October 18 and 19, headquarters being at the old Pueblo Club; the business sessions were also held there. The convention was called to order by President W. H. Doyle, cashier of the Bank of Arizona, Prescott, and the proceedings opened by prayer by the Rev. L. W. Wheatley, pastor of the Methodist Episcopal Church. Dr. I. E. Huffman, Mayor of Tucson, welcomed the delegates and their friends to the city, to which Morris Goldwater, Mayor of Prescott, president of the Commercial Trust and Savings Bank and secretary of the Association, responded.

President Doyle in his annual address, said that the banks of the state were richer by more than a million and a half dollars than they were in September, 1911. This was due to range conditions, cattle prices, wool quotations and the general tone of the metal markets.

He said it has always been his opinion that more effective work could be accomplished by the bankers of the country in their campaign for currency reform if their work was performed in conjunction with other large commercial bodies, and thought that the Currency Commission of the American Bankers Association had acted very wisely in resolving to co-operate with any and all people looking to the reform of the financial and banking system.

The reports of Secretary Morris Goldwater, Treasurer Lloyd B. Christy, and Committee Chairmen followed, all of which reports demonstrated the fact that the Association had passed through a most successful year and was in excellent condition in all respects.

The Hon. G. W. P. Hunt, Governor of Arizona, gave a very interesting address on the "Progressive Movement and the Banker." He advocated democracy in banking in every sense of the word, and said that progress in banking consists in giving the greatest possible assistance to a majority of the people—the small depositor and the small business man—compatible with safety.

In the afternoon John Perrin, of the Fletcher-American National Bank, Indianapolis, and member of the Currency Commission of the American Bankers Association, talked on "Banking Reform." Joseph W. Norvell, National Bank Examiner, who was to have addressed the convention on "Bank Examinations and Duties of Directors," was unavoidably absent, and Dr.

William T. Swingle, of the Department of Agriculture, spoke in his place, bringing out the fact that intensive agriculture was a prime factor in increasing national assets.

At four o'clock p. m. the delegates and their friends were taken for an auto ride about the city. In the evening they were given a Mexican dinner at the Old Pueblo Club.

The second day's meeting was opened with prayer by the Rev. H. B. Roberts, pastor of the Congregational Church. The program for the day's session included reports of committees and addresses by Dr. A. H. Wilde, president of the University of Arizona, and J. M. Elliott, president of the First National Bank, Los Angeles, Cal.

The meeting closed with the election of the following officers for the ensuing year: President, Emil Ganz, president of the National Bank of Arizona, Phoenix; vice-president, Albert Steinfeld, president of the Consolidated National Bank, Tucson; Morris Goldwater and Lloyd B. Christy were re-elected secretary and treasurer, respectively.

The program for the balance of the day included a visit to the Southern Arizona Fair and an auto ride to the San Xavier Mission. In the evening a reception and dance was given at the Old Pueblo Club.

Following the adjournment of the convention, a meeting of the Arizona members of the American Bankers Association was held. J. G. Spangler, of Mesa City, vice-president from Arizona of the National Association, presiding. J. M. Ormsby, of Tucson, was named for vice-president of the American Bankers Association from Arizona, to take office from the date of the next convention, this action being taken owing to the fact that the Arizona members will not meet again previous to the 1913 meeting of the National Association. Morris Goldwater was named as member of the Executive Council of the American Bankers Association to represent the States of Arizona and New Mexico, in accordance with an amendment to the constitution of the national body, adopted at the last meeting, by which a member of the council is given to two adjoining states combined, when there are less than one hundred members in the National Association from each separate state.

RECENT PAMPHLETS ON CURRENCY LEGISLATION.

THE text of the bill creating a National Reserve Association, filed with Congress January 8, may be had free upon request from the Library Department of the A. B. A.

It is combined with the report of the National Monetary Commission, which considers in detail the changes made since the New Orleans meeting, the most important provision being that which limits the percentage of stock control of one bank by another to 40 per cent.

The Association also has on hand for distribution upon request the following pamphlets:

Anderson, F. B., "The Need of Banking and Currency Reform."

Case, J. H., "Desirability of Commercial Paper as a Bank Investment."

Fourth National Bank, N. Y., "The New Aldrich Currency System, Original and Revised Plan Arranged in Parallel Columns, with Explanation."

Forgan, J. B., "Clearing House Examinations by Clearing House Examiners."

Kent, Fred L., "National Reserve Association and Our Foreign Trade."

National Citizens League, Bartlett, A. C., "Banking Reform as Seen by Commercial Interests"; W. C. Cornwell, "The National Reserve Association Secure from Political Control," "Co-operation or Centralization?"; J. V. Farwell, "Importance of Monetary Reform to Business Men," an address to business men on the "National Reserve Association"; J. L. Laughlin, "Banking Control," "Banking Reform as Seen by Commercial Interests," "Movement of Cotton in the South," "Suggestions for Banking Reform"; Franklin MacVeagh, "Banking and Currency Reform"; John Perrin, "Trade Fluctuations and Panics," "Principles and Methods of Banking Reform"; G. E. Roberts, "Functions of a Gold Reserve"; W. H. Taft, "Recent Addresses on Banking Reform."

National Monetary Commission—Suggested plan for monetary legislation, January 16, 1911. Suggested plan for monetary legislation as revised by the Currency Commission of the A. B. A., April 23, 1911.

Reynolds, Arthur, "The Aldrich Plan," "Some Aids to the Solution of Our Financial Problems," "The Unsettled Currency Problem."

Reynolds, George M., "The Aldrich Currency Plan Interpreted."

"Trust Company Forms."

The selections cover all departments of the trust company, and it is believed offer practical "forms" for carrying out all of the various banking and trust functions which may fall to the lot of an active company.

The selected forms have been reproduced by photographic process (one-half the original dimensions), bound in full morocco, leather lining, gilt edges, in handsome and durable shape—11x14 inches in size—and are for sale to members of the Association for \$15 each, and to non-members at \$20. Some 550 different forms have been reproduced, making a book of 145 pages, fully indexed. Subscriptions may be sent to P. S. Babcock, Secretary Trust Company Section, 5 Nassau street, New York, who will forward book prepaid at once.

Have You Got It?

The book of Printed Forms of the Savings Bank Section is still in demand and going nicely. It contains all forms necessary to the operation of a savings bank and its price is \$12 to members and \$18 to non-members of the American Bankers Association. Orders will receive prompt attention from E. G. McWilliam, Secretary Savings Bank Section, Five Nassau Street, New York.

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

DEVOTED TO THE SCIENCE OF BANKING AND FINANCE

Vol. 5

NOVEMBER, 1912

No. 5

FRED. E. FARNSWORTH, PUBLISHER,
General Secretary American Bankers Association

THOMAS B. PATON, EDITOR,
General Counsel American Bankers Association.

W. W. WAINE, ASSOCIATE EDITOR.

INSTITUTE EXTENSION.

UNDERNEATH the graceful compliments bestowed upon the Institute Section by President Livingstone at the Detroit convention was a kind but pointed criticism of the backwardness of correspondence instruction among country bankers. Perhaps some of the fault for such conditions is chargeable to the country bankers but much of it must be due to the Institute itself. Only within the past two years has correspondence study been conspicuous in Institute propaganda. Not until this year have country bankers been specially recognized in the Institute constitution. When changes come, however, they often come with a rush and such seems to be the case with Institute work in the country.

The old idea that it is necessary to organize a chapter in order to get satisfactory results from Institute work has happily been dispelled. The class method of instruction adapted to classes implies the personal association of students under the direction of an instructor. The correspondence method provides for the individual instruction of students from the general office of the Institute. A combination of class and correspondence methods is expedient where duly enrolled correspondence students can meet informally and discuss the lesson pamphlets among themselves. Under such circumstances no instructor is required as the examinations in connection with each lesson pamphlet, as well as final examinations, are conducted by the Institute direct. In this way students get the advantages of personal association and the thoroughness of correspondence instruction. The cost to individual students of such an arrangement is not much if any more than the cost would be under a suitable instructor.

INTROSPECTION.

LETTERS often come to this office from our members urging the Association to take action on some particular reform which at that moment may seem to them to be of paramount importance. Such suggestions are, of course, always welcome, and it is through this expression of constructive ideas that the officers of the Association

are guided in the educational and remedial programs undertaken. An even better rate of progress might be maintained if in addition to keeping in touch with the Association work, bankers would occasionally spend some earnest thought on introspection. This would certainly reduce the visible supply of notes and beams, especially in what might be classified as Section work. For example, many State Associations are properly engaged in active educational work to help the farmer, while but few of them have taken the interest they should in bringing before their members the value of educating bankers through the Institute Section.

Savings banks are anxious to see something done that will help them in safeguarding their interests with respect to identifications, yet they often overlook the invaluable Finger Print System which has been so often advocated by the Savings Bank Section, and especially recommended by our Protective Department.

The Clearing House Section receives many letters urging a uniform style of remittance letter, but the same bank is perhaps using an obsolete form of draft. Or the letter may suggest what is a very practical idea, a bank check uniform in certain essentials but upon investigation it may be found that that particular bank has neglected to show its transit number under the Numerical System.

Special Notice.

It is felt that it will be of much value and interest to the members of the Trust Company Section to have collected in the Secretary's office samples of advertising matter used by trust companies throughout the country, such as pamphlets, booklets, newspapers, advertisements, etc. Members are therefore requested to send to the Secretary at 5 Nassau Street, such advertising matter as they may be using at this time so that they can be arranged in books or filing cabinets and be open to the inspection of trust company members who may call at the Secretary's office in New York.

LEGAL NOTES AND OPINIONS

THOMAS B. PATON · GENERAL COUNSEL

BILLS OF LADING.

S. 957. In the House of Representatives, August 22, 1912. Referred to the Committee on Interstate and Foreign Commerce.

THE above is the official designation of an act relating to bills of lading which passed the Senate by unanimous vote on August 21, 1912, and was introduced in the House of Representatives on the following day. It is in substance the Uniform Bills of Lading Act which has been advocated by the American Bankers' Association for state enactment, with a few modifications designed to remove any question as to constitutionality which might have been raised against the state act, in its original form, if enacted as a law of Congress. The Uniform Bills of Lading Act has already been passed in the ten states of Maryland, Massachusetts, Connecticut, Illinois, Iowa, Michigan, New York, Ohio, Pennsylvania and Louisiana.

S. 957 having been passed by the Senate, will now come before the Committee on Interstate and Foreign Commerce of the House of Representatives. The members of this Committee are:

Chairman, William C. Adamson, Carrollton, Ga. (D); William Richardson, Huntsville, Ala. (D); Thetus W. Sims, Linden, Tenn. (D); William R. Smith, Colorado, Tex. (D); Robert F. Proussard, New Iberia, La. (D); Henry M. Goldfogle, New York, N. Y. (D); Courtney W. Hamlin, Springfield, Mo. (D); Adolph J. Sabath, Chicago, Ill. (D); John A. Martin, Pueblo, Col. (D); J. Harry Covington, Easton, Md. (D); William A. Cullop, Vincennes, Ind. (D); Samuel W. Gould, Skowhegan, Me. (D); Frank E. Doremus, Detroit, Mich. (D); J. H. Goeke, Wapakoneta, Ohio (D); Frederick C. Stevens, St. Paul, Minn. (R); John J. Esch, La Crosse, Wis. (R); Joseph R. Knowland, Alameda, Cal. (R); William M. Calder, Brooklyn, N. Y. (R); Edward L. Hamilton, Niles, Mich. (R); Michael E. Driscoll, Syracuse, N. Y. (R); Eben W. Martin, Deadwood, So. Dak. (R).

The American Bankers' Association through its Committee on Bills of Lading has been advocating in Congress during the last few years the Stevens bill (H. R. 4726), which passed the House of Representatives almost unanimously in June, 1910, in the 61st Congress. This bill covered the main points essential to the validity of a bill of lading as an instrument of credit; but S. 957 (which was known in the Senate as the Pomerene substitute) equally provides all safeguards contained in the Stevens bill and is additionally valuable as being a codification of the main rules governing the issue, transfer and redemption of bills of lading. At a meeting of the Committee on Bills of Lading of the Association held in

Detroit, September 9, it was resolved that the committee co-operate with the shippers' organizations in urging S. 957 (the Pomerene bill) before the House this winter and in its report at the annual convention on September 10 the committee said: "It is to the interest of every member of this Association to do all in their power to urge the passage of the Pomerene bill by the House at the next session in order that the banking and commercial interests of the country may have placed on the Federal statute books before the close of the present Congress a measure so long sought for and so much needed."

Without printing S. 957 entire, the following brief outline of its 49 sections is made:

The act applies (1) to interstate and foreign bills. It provides (2 and 3) requisites and regulations as to the contents of bills of lading; defines (4) straight and (5) order bills of lading; regulates (6 and 7) duplicate bills and bills issued in parts and sets; requires (8) that straight bills shall be marked "not negotiable"; defines (9) the significance of the word "notify" on an order bill of lading; provides (10) that receipt of bill by consignor without objection binds him to terms of bill of lading, not contrary to law or public policy; regulates (11, 12 and 13) duty of carrier to deliver goods, when justified in delivering and liability for wrongful delivery; provides (14 and 15) liability of carrier who fails to take up and cancel order bill, to purchaser who acquires title to spent bill either before or after delivery of goods, notwithstanding delivery made to person entitled to goods; and also provides similar liability in case of partial deliveries, unless bill cancelled or indorsement of goods delivered be made thereon; provides (16) that alterations without authority of carrier are void and bill is enforceable according to original tenor; provides (17) procedure in case of lost order bills of lading by application to court and giving of bond to protect carrier; defines (18) significance of the word "duplicate" on a bill of lading; provides (19) that carrier cannot excuse delivery by claim of title to goods unless derived from transfer made after the shipment or from carrier's lien; provides (20, 21 and 22) legal proceedings of interpleader in case of adverse claimants to goods; regulates (23, 24) shipper's load and count; provides (25) liability of carrier to consignee of straight bill or bona fide holder for value of order bill where fraudulent or accommodation bill of lading has been issued by agent without receipt of the goods; exempts (26 and 27) goods from garnishment or execution, where order bill is outstanding, unless bill be first surrendered or its negotiation enjoined; and gives creditor whose debtor is owner of an order bill right to injunction and otherwise in attaching such bill; regulates (28 and 29) carrier's lien; provides (30, 31, 32, 33 and 34) manner of negotiation of order bills and rights of persons to whom order bill has been duly negotiated; provides (35) rights of person to whom a straight or order bill has been transferred but not negotiated; provides (36) right of transferee to compel transferor to indorse order bill where transferred by delivery and indorsement is essential for negotiation; provides (37, 38 and 39) warranty of genuineness and other warranties by person who negotiates or transfers for value a bill of lading by indorsement or delivery but that there is no warranty of genuineness.

ness or of quantity or quality of goods by a mortgagee or pledgee or other holder of a bill for security who demands or receives payment of the debt, whether from a party to a draft drawn for such debt or other person. Also provides that indorser of bill is not liable for failure of carrier or previous indorsers to fulfill their respective obligations; regulates (40, 41, 42 and 43) the validity of negotiation and rights of bona fide holder of order bill of lading where owner deprived of same by breach of duty, fraud, accident, mistake, duress or conversion; or as affected by sale or pledge of goods by shipper while in possession of bill or by seller's lien or right of stoppage in transit; provides (44) punishment by fine and imprisonment of person who, with intent to defraud, forges a bill of lading or issues or aids in issuing or negotiates or transfers for value a bill which contains a false statement as to receipt of goods or any other matter or who with fraudulent intent violates any provision of the act; provides (45-49) definitions and application of act.

Among the matters provided by S. 957 which are most valuable to the banker who advances money upon, or to the consignee who pays, a draft on faith of an attached bill of lading, are the provisions of Section 25 which holds the carrier liable upon a bill signed by his agent although the goods have not been received, the contrary being the present federal and common law rule; of Sections 14 and 15 which make a carrier liable where the goods have been delivered or partially delivered upon an order bill without taking it up or noting partial delivery thereon and the spent bill has been negotiated; and of Section 16 which makes an altered bill good for its original tenor. These were the chief matters covered by the Stevens bill; and in addition S. 957 will make the law definite and certain with respect to all the transactions or subjects governed by its provisions and remove the occasion for much litigation and conflict of decision.

The general benefits which will be derived from the enactment of S. 957 are, among others, that it will place the national law governing interstate and foreign bills of lading in harmony with the provisions of the Uniform Bills of Lading Act, now the law of ten states and which will ultimately be enacted in most of the others; it will raise the bill of lading to a degree of validity and security wherein, except for risk of loss through forgery, which is punished by the Act and which risk attends the acquirement of any negotiable instrument, it may be readily taken as a basis of collateral by banks; it will consequently facilitate the operations of the small shipper by giving him a more ready cash market at his own door for the goods which he has purchased and is forwarding and it will be equally helpful to the consignee or receiver of goods at destination who will be able, with fair safety, to pay drafts drawn upon him with bill of lading attached, without waiting for the arrival of the goods.

The forthcoming session of the Sixty-second Congress in December will be the short session, running only to the following March and if favorable action is to be had at this session, the measure will necessitate immediate consideration by the House Committee in view of the fact that a hearing on the bill will be required.

The bill having already passed the Senate, its enactment by the House at the forthcoming session is

greatly to be desired, that the commercial and financial interests may have the benefit of the law now and not suffer from delay or postponement to the Sixty-third Congress.

It is therefore to the interest of every member of the American Bankers' Association, as well as of bankers, shippers and receivers of goods generally, that they at once make all effort possible in favor of this legislation by communicating with the members of the House Committee on Interstate and Foreign Commerce and also with the particular Representative from their own district urging the early consideration and passage of S. 957 and requesting promise of its support.

STATE STATUTES AS TO PREFERENCES IN INSOLVENT BANK ASSETS.

The following statement is the result of an examination of the constitutional provisions and banking statutes of all the states to ascertain in what states provisions exist which give some kind of preference in the payment of the assets of a bank in the event of its insolvency.

The constitution of Alabama contains a provision preferring "depositors who have not stipulated for interest" which would defer interest-bearing savings accounts; and the investigation was primarily undertaken at the request of the Committee on Legislation of the Alabama Bankers Association to learn whether there was a similar provision in any other state. The result shows that there is not, except that in provisions for a bank guaranty fund in Texas, non-interest bearing deposits are, and interest-bearing deposits are not protected by the fund, and in the Kansas guaranty law non-interest bearing deposits are protected but only certain restricted kinds of interest-bearing deposits.

The statement does not include statutes which provide for the giving of security by banks for deposit of public funds; nor does it include statutes, which exist in some states, forbidding banks to pledge assets to secure any class or kind of depositors, or allowing such pledges in certain cases. Furthermore, the examination having been confined chiefly to the banking statutes of each state, it is not unlikely that certain statutes have been missed which give preference to deposits of government, taxes, etc., in event of insolvency. Nor has the examination extended to the provisions of trust company laws which expressly declare that trust funds are not to be devoted to the payment of debts, the corporation in such case being trustee and not debtor, and the funds not being its own property, but held in trust. For example, the Trust Company Law of New York (Banking Law, Sec. 190) provides: "If dissolved by the legislature or the court, or otherwise, the debts due from the corporation as such executor, administrator, guardian, trustee, committee or depository shall have the preference." The information as gathered, however, has a certain value. The omission of certain states from the statement below indicates that no provision as to preference has been found in the statutes of those states.

ALABAMA.

Note Holders and Depositors Not Receiving Interest.

"Holders of bank notes, and depositors who have not stipulated for interest, shall, for such notes and deposits be entitled in case of insolvency, to preference of payment over all other creditors; provided, this section shall apply to all banks, whether incorporated or not." Const. 1901, Sec. 250.

The holder of a certificate of deposit, payable at a certain fixed date, with interest, is not a depositor within the meaning of Sec. 250, Constitution 1901, so as to have a preference over other creditors—Taylor v. Hutchinson, 145 Ala. 202.

ARKANSAS.

Wages and Salaries.

"No preferences shall be allowed among the creditors of insolvent corporations, except for the wages and salaries of laborers and employees." Dig. of Stat. of Ark. 1894; Sec. 1425.

CALIFORNIA.

Department Depositors in Department Assets.

All money belonging to each department of a bank, whether cash on hand or with other banks, and the investments made, shall be held solely for the repayment of the depositors in said department, until all depositors of such department shall have been paid, and the overplus then remaining shall be applied to the other liabilities of such bank. Stat. of Cal. (1909), Chap. 76, Sec. 27.

COLORADO.

Savings Depositors.

In case of the insolvency of any bank or association formed under the laws of the state, the savings depositors thereof are entitled to preference in payment over all other creditors of such bank or association. Mills Annot. Colo. Stat. (1891), Sec. 529.

Note—By Chapter 79, Laws 1911 (Sec. 46), assets of savings bank or savings department are constituted a trust fund for benefit of savings depositors and (Sec. 82) unsecured depositors are protected by a guaranty plan or security plan. But this law must first be ratified by people at election in 1912.

CONNECTICUT.

Savings Depositors in Department Assets.

"All banks and trust companies maintaining a savings department, or soliciting or receiving deposits as savings, shall invest all such deposits hereafter so received according to the requirements of the statute laws of this state concerning the investment of deposits in savings banks; and said investments shall be for the exclusive protection of the depositors in said savings department and shall not be liable for or used to pay any other obligation or liability of said bank or trust company until after the payment of all of the deposits in said savings department." Pub. Laws (1907), Chap. 85, Sec. 1.

GEORGIA.

If a bank becomes insolvent, the order of paying off the debts shall be the same as is prescribed in cases of administration, to the extent applicable, except where special preference or postponement is given by law. Ga. Code (1911), Sec. 2353.

Insolvent bank, making assignment, cannot prefer creditors. Ga. Code, Secs. 2698, 2699; 86 Ga. Rep. 284.

IDAHO.

Savings Depositors in Department Assets—Depositors Have First Lien.

"All loans, investments, and other assets of the savings department shall be held solely for the repayment of the depositors in said department, and shall not be liable for, pledged as security for, or used

to pay any other obligation or liability of the bank or trust company until after the payment in full of all depositors of said department." Idaho Ses. Laws (1911), Chap. 124, Sec. 26.

"In the event of insolvency or bankruptcy of any person, firm, co-partnership or corporation maintaining, operating or conducting a bank or a trust company doing a banking business, or doing business within the meaning of this Act, depositors of such bank or trust company shall have the first and prior lien on all the assets of such bank or trust company, and in the distribution of such assets or the proceeds thereof, the same shall first be applied to satisfy the amount due such depositors." Idaho Ses. Laws (1911), Chap. 124, Sec. 65.

IOWA.

Depositors Over Other Creditors.

Where the state auditor shall become satisfied that a bank is insolvent or in an unsafe condition, or that the interests of creditors require the closing of a bank, he may authorize a bank examiner appointed by him to take possession of such bank, and may, with the assent of the attorney-general, apply to the district court or judge for the appointment of a receiver of such bank, and its affairs shall be wound up under the direction of the court, and the assets thereof ratably distributed among the creditors thereof, giving preference in payment to depositors. Code of Iowa (1897), Chap. 12, Sec. 1877.

In another section, the statute further provides:

"Should the whole amount for which the stockholders are made individually responsible, as provided by the preceding section, be found in any case to be inadequate to the payment of all the debts of any such association or corporation, after the application of its assets to the payment of such debts, then the amount due from such stockholders, on account of their individual liability created by said section, as such, shall be distributed equally among all the creditors of such corporation in proportion to the several sums due them." Ibid. Sec. 1883.

In construing the above section, in conjunction with Section 1877, above quoted, the Supreme Court of Iowa held that on the insolvency of a bank and the appointment of a receiver, depositors are preferred creditors and entitled to be first paid in full, after deducting costs and expenses, from the general assets of the bank, and in case the assets of the bank are insufficient for that purpose they are also entitled to ratably share with all creditors in the distribution of proceeds arising from a statutory assessment of the stockholders. State v. Savings Bank, 127 Iowa 198.

In State v. Corning State Savings Bank, 136 Iowa 79, the court held that one who deposits or leaves his money with a bank subject to his order is a depositor, even though the bank issues to him a time certificate bearing interest, and he can recover the same and is entitled to a preference over general creditors; but if the money is left for a fixed time at a stipulated interest and the lender surrenders all control over or right thereto for such a time, it amounts to a loan, and cannot be established as a preferred claim against the insolvent bank. The court further held that the issuance of a certificate of deposit by a bank does not in and of itself indicate the true nature of the transaction; that such an instrument may be issued, although a loan was intended, and that parol evidence is admissible to show the true nature of the transaction.

KANSAS.

Certain Deposits Guaranteed.

An act providing for the security of depositors in the incorporated banks of Kansas and creating a bank depositors' guaranty fund, authorizes and empowers certain qualified banks to participate in the assessments and benefits provided by the act. Section 6 of the act provides as follows:

"Deposits which do not bear interest and the following deposits only shall be guaranteed by this act: Time certificates not payable in less than six months

from date and not extending for more than one year, bearing interest at not to exceed three per cent. per annum and on which interest shall cease at maturity; savings accounts not exceeding in amount one hundred dollars to any one person and not subject to check, upon which the bank has reserved in writing the right to require sixty days' notice of withdrawal, and bearing interest at not to exceed three per cent. per annum. Deposits which are primarily rediscounts or money borrowed by the bank, and all deposits otherwise secured, shall not be guaranteed by this act. Each guaranteed bank shall certify under oath to the bank commissioner at the date of each called statement the amount of money it has on deposit not eligible to guaranty under the provisions of this act, and in assessing such bank this amount shall be deducted from its total deposit. The guaranty as provided for in this act shall not apply to a bank's obligation as indorser upon bills rediscounted, nor to bills payable, nor to money borrowed temporarily from its correspondents or others." Chapter 61, Laws 1909.

MAINE.

Savings Depositors in Trust Companies to Extent of Segregated Savings Assets.

Trust companies receiving savings deposits must segregate assets of equal amount. Chap. 32, Laws 1911, Sec. 1.

Such assets so segregated and set apart shall be held for the security and payment of such deposits, and shall not be mingled with the other assets of the company, or be liable for the debts or other obligations thereof until after such deposits shall have been paid in full. All other assets of the company including the liability of the stockholders shall be held equally and ratably for the payment of all claims including any balance due such savings depositors after applying to their payment the assets so segregated and set apart. Chap. 32, Laws 1911, Sec. 2.

MARYLAND.

Ratable Distribution.

By the Maryland statute, if savings bank shall at any time suspend its payments, the assets which said bank may hold or be in anywise entitled to at the time of such suspension of payment shall be ratably distributed to and among all the persons who shall be its creditors at such time, and to their assigns respectively. Pub. Gen'l Laws of Md. (1904), Art. II, Sec. 28.

MASSACHUSETTS.

Savings Depositors in Trust Companies.

Trust companies doing a savings bank business, required to have a savings department in which all business relating to such deposits shall be transacted. Such deposits and the investments or loans thereof are required to be appropriated solely to the security and payment of such deposits, and are not to be mingled with the investments of the capital stock or other money or property belonging to or controlled by such corporation, or be liable for the debts or obligations thereof until after the deposits in said savings department have been paid in full. The accounts and transactions of said savings department are required to be kept separate and distinct from the general business of the corporation. Mass. Acts 1908, Chap. 520, Secs. 1, 2 and 3.

It is also further provided that the capital stock of such corporation with the liabilities of the stockholders thereunder shall be held as security for the payment of such deposits, and the persons making such deposits or entitled thereto shall have an equal claim with other creditors upon the capital and other property of the corporation in addition to the security provided for by the act. Mass. Acts 1908, Chap. 520, Sec. 4.

MICHIGAN.

Savings Depositors in Savings Assets.

The Michigan statute provides that "Any bank combining the business of a commercial bank and a savings bank shall keep separate books of account for

each kind of business: Provided, That all receipts, investments and transactions relating to each of said classes of business, shall be governed by the provisions and restrictions herein specifically provided for the respective kinds of banks: Provided, further, That all the investments relating to the savings department shall be kept entirely separate and apart from the other business of the bank, and that the fifteen per cent. reserve required by the provisions of this act to be kept on the savings deposits, shall be kept separate and distinct on the books of the bank from the reserve required on the commercial deposits, and that such portion of said savings deposits as are on hand unloaned or deposited with other banks or reserve agents and the investments made with the funds deposited by savings depositors shall be held solely for the payment of the depositors of said funds." Mich. Pub. Acts 1909, No. 193, Sec. 29.

Order of Debts—The residue of assets after charges, etc., of a dissolved or insolvent corporation are to be distributed in the following order: (1) All debts entitled to a preference under United States laws; (2) executions actually levied on the corporate property, according to their priority; (3) creditors having made special deposits, if such deposits remain in kind; (4) all other creditors pro rata. Mich. Comp. Laws, Sec. 8195.

MINNESOTA.

Deposits by Savings Banks, Except Debts Due State and United States.

The directors of savings banks are required to promptly invest all deposits except so much, not exceeding fifteen per cent. as may be required for current necessary disbursements, which it shall retain or deposit in solvent authorized banking institutions in Minnesota or in the city of New York or Chicago, or in loans payable on demand, upon any of the first two classes of authorized securities, to the extent only of ninety per cent. of their cash market value, but never exceeding par; upon condition always that in case of depreciation below that proportion it shall be immediately restored by additional security of the same classes or at once repaid. But meanwhile so much thereof as cannot be judiciously so invested shall be deposited daily in one or more solvent banks or trust companies. In case of insolvency thereof, its indebtedness, if any, to a savings bank shall be preferred to that of every other creditor except the United States and the State of Minnesota. Rev. Laws Minn. 1905, Chap. 58, Sec. 3023.

In case of the suspension or insolvency of a bank, the deposits made therein by the public bank examiner of funds of another bank, or trust company, in course of liquidation, become, by statute, preferred claims before all other deposits in such bank. Rev. Laws Minn. (1907), Chap. 58, Sec. 3002.

NEBRASKA.

Taxes, Depositors and Holders of Exchange.

The claims of depositors, for deposits, and claims of holders of exchange, have priority over all other claims, except federal, state, county and municipal taxes, and subject to such taxes, are at the time of the closing of a bank a first lien on all the assets of the banking corporation from which they are due and thus under receivership, including the liability of stockholders and, upon proof thereof, they are to be paid immediately out of the available cash in the hands of the receiver. Cobbe's Anno. Stat. of Neb. (1909), Sec. 3752.

Note—For protection of depositors a guaranty fund is provided for by assessment on all the banks. Banking Law of 1909, Secs. 44 et seq.

NEW HAMPSHIRE.

Note Holders.

The proceeds of the property of an insolvent institution shall be distributed according to the decree of the court:

- I. To pay the expenses of the liquidation.
- II. To pay all bills issued by the bank pro rata.

III. For the payment in equal proportion of all debts, claims and obligations owing by the institution.

IV. The remainder to be divided among the stockholders according to their interests.

Pub. Stat., Chap. 165, Sec. 20; Laws 1911, Chap. 68, Sec. 18.

Trust companies, loan and trust companies, loan and banking companies, and other similar corporations receiving savings deposits or transacting the business of a savings bank, shall conduct the business as a separate department, and that department shall be amenable to the laws governing savings banks. Pub. Stat., Chap. 165, Sec. 18; Laws 1891, Chap. 23, Sec. 1.

NEW YORK.

Note Holders and Deposits by Savings Banks.

"All the property of any bank or trust company which shall become insolvent shall after providing for the payment of its circulating notes, if it has any, be applied by the trustees, assignees or receivers thereof in the first place, to the payment in full of any sum or sums of money deposited therewith by any savings bank and by any co-operative savings and loan association ratably and proportionately but not to an amount exceeding that authorized to be so deposited by the provisions of this chapter, and subject to any other preference provided for in the charter of any such trust company." Cons. Laws N. Y. (1909), Chap. 10, Sec. 159.

See, however, *Davies v. Elmira Savings Bank*, 161 U. S. 275 (reversing 142 N. Y. 590), holding that section 130 of Chapter 689 of the laws of New York of 1892 (of which the above statute is but a re-enactment), when applied to an insolvent national bank, is in conflict with Sections 5236, 5242 of the Revised Statutes of the United States, directing the Comptroller of the Currency to make ratable dividends of the money paid over to him by such receiver, on all claims proved to his satisfaction or adjudicated in a court of competent jurisdiction, and is therefore void when attempted to be applied to a national bank.

NORTH CAROLINA.

Laborers and Workmen.

In case of the insolvency of any corporation, the laborers and workmen and all persons doing labor or service of whatever character in the regular employment of such corporation, are given a first and prior lien upon the assets thereof for the amount of wages due to them respectively for all labor, work, and services done, performed, or rendered within two months next preceding the date when proceedings in insolvency were instituted against such corporation, which liens are made prior to all other liens that can or may be acquired upon or against such assets. Gen'l Stat. N. Car. (1901), Chap. 2, Sec. 87 (Pell's Revisal 1908, p. 1204).

OHIO.

Depositors in Trust Department.

The Ohio statute provides that any corporation formed to combine two or more classes of business under the Ohio banking act, shall keep separate books of accounts for each class of business; provided that all receipts, investments and transactions relating to each of such classes of business shall be governed by the provisions and restrictions specifically provided in the act for such classes of business. Laws of Ohio (1908), Sec. 35.

"All money or property held in trust shall constitute a deposit in the trust department, and the accounts and investments thereof shall be kept separate and such investments or loans shall be especially appropriated to the security and payment of all such deposits, and not be subject to any other liabilities of such corporation, and for the purpose of securing the observance of this proviso, such corporation shall have

a trust department in which all business pertaining to such trust property shall be kept separate and distinct from its general business." Laws of Ohio (1908), pp. 269, 286, Sec. 73.

OKLAHOMA.

Depositors Over Other Creditors Under Guaranty Law.

See *Bank v. Dean*, 9 Okla. 626, holding that a general depositor in a bank is a mere general creditor, not entitled to any preference in case of an assignment for creditors or bankruptcy. And see *Cherry v. Territory*, 17 Okla. 213, holding that it will be presumed that all the creditors of an insolvent bank are on the same footing.

But by the law of 1907, amended in 1909, creating a depositors' guaranty fund by assessment upon the banks, it is provided by Sec. 5 that depositors shall be paid in full and if resort is necessary to the guaranty fund for that purpose, the state for the benefit of the fund, shall have a first lien upon the assets of the bank.

OREGON.

Savings Depositors in Savings Assets—Depositors in Banks or Bank Departments.

Priorities—The Oregon statute contains the following clause: "Any bank combining any of the business of a commercial bank, trust company and savings bank shall keep separate books or accounts for each department, and shall keep all moneys received as such savings deposits, and the funds and securities in which the same are invested, at all times segregated from and unmingled with the other moneys and funds of the bank, and all bonds, warrants, notes, mortgages, deeds and other securities of every nature of such savings department shall be marked, stamped or labeled 'savings department,' or some similar words. All funds, investments and other assets of the savings department shall be held solely for the repayment of the depositors in said department and shall not be liable for, pledged as security for, or used to pay any other obligation or liability of the bank until after the payment in full of all depositors of said savings department. Gen'l Laws Oregon (1911), Chap. 171, Sec. 4594, p. 253.

The Oregon statute provides: "In the event of the insolvency or bankruptcy of any person, firm, or corporation, maintaining, operating, or conducting a bank or a banking department, or doing business within the meaning of this Act, depositors of such bank or banking department shall have a first and prior lien on all the assets of such bank or banking department, and in the distribution of such assets or the proceeds thereof, the same shall first be applied to satisfy the amount due such depositors; and if any person, firm, or corporation maintains, operates, or conducts one or more branches or subordinate banks, or more than one bank or banking department, or does a banking business within the meaning of this Act at more than one place the depositors of any such bank or subordinate bank or banking department shall have a first and prior lien upon all the assets of such bank, branch or subordinate bank or banking department where such deposit was made or credit extended, and in the distribution of such assets, or the proceeds thereof, the same shall first be applied to satisfy the amount due such depositors." Lord's Oregon Laws, Chap. 1, Sec. 4594 (L. 1907, c. 138, p. 274, Sec. 38).

PENNSYLVANIA.

Note Holders and Depositors.

In Pennsylvania, in the case of the insolvency of a bank, the statute provides for the following order of payment of its debts and liabilities out of its assets: 1. Note-holders. 2. Depositors. 3. All other creditors, except stockholders, who shall be last paid. Purdon's Dig. (13th ed.), p. 444, Sec. 167.

RHODE ISLAND.

Savings Deposits in Savings Assets.

All banks and trust companies maintaining a savings or participation department, under any name or title whatsoever, must set aside such deposits for the

exclusive protection of such savings or participation depositors, and such deposits shall not be liable for, or used to pay, any other obligation or liability of said bank or trust company until after the payment of all the deposits in said savings or participation department or such savings or participation depositors. Gen'l Laws Rhode Island (1909), Chap. 232, Sec. 6.

TEXAS.

Deposits by Bank Commissioner—Savings Depositors in Savings Assets—Certain Deposits Guaranteed.

In Texas, by statute, where the Commissioner of Insurance and Banking is winding up the affairs of an insolvent bank, he is authorized to deposit such funds as may come into his hands in one or more state banks, and in case of the suspension or insolvency of the depository, such deposits shall be preferred before all other deposits. Gen'l Laws Texas (1909), Chap. 14, Sec. 9, p. 410.

This statute further provides that all banks having a savings department shall keep the business of such department entirely separate and distinct from the general business of such bank, and shall keep all moneys received as such savings deposits and the funds and securities in which the same may be invested at all times segregated from and unmingled with the other moneys and funds of the bank. Gen'l Laws Texas (1909), Chap. 14, Sec. 13, p. 414.

"In case of the insolvency or liquidation of any state bank or banking and trust company which shall establish or maintain a savings department * * * its savings depositors shall have an exclusive prior lien upon all the assets, including cash, of such savings department, and which shall be first paid, and the remainder, after they have been paid in full, shall be applied to the payment of claims of general creditors." Sec. 13, Chap. 15, Acts Second Called Session Thirty-first Legislature.

Non-interest-bearing and unsecured deposits are protected by Depositors' Guaranty Fund, but deposits upon which interest is being paid to the depositor and deposits otherwise secured are not insured under Act. Sec. 10, Chap. 15, Acts Second Called Session Thirty-first Legislature.

VERMONT.

Depositors and Creditors in General Assets—Trust Funds for Trust Claims.

The Vermont statute allowing a trust company to act in a fiduciary capacity provides that all moneys, property or securities received or held by a trust company in such capacity shall be kept separate and distinct from its general business, and shall not be mingled with the investments of its capital stock or other moneys or property belonging to such company, or be liable for the debts or obligations thereof. Pub. Stat. Vt. (1906), Chap. 198, Sec. 4690.

By a later statute, the above act has been substantially re-enacted, with the addition of a clause to the effect that the bank's deposits and its surplus (other than the trust guaranty fund) shall not be liable for any claims growing out of the holding or man-

agement of funds or securities so received or held except as to any balance remaining after the satisfaction of the demands of other creditors. Laws 1910, p. 178, Sec. 77.

WASHINGTON.

Laborers and Depositors.

The Washington statute provides: "In distributing the assets of any bank for which a receiver has been appointed under the provisions of this Act, the claims of depositors shall be given preference over all other claims except claims for labor: Provided, That this section shall not be so construed as to impair the rights of secured creditors." Laws of Wash. (1907), Chap. 225, Sec. 48.

WISCONSIN.

Time Depositors in Trust Company Banks—Ratable Distribution.

Trust company banks may receive time deposits and issue notes, certificates, debentures and other obligations therefor, payable at a future date only, not earlier than thirty days from the date of such deposit. Deposits so received shall at all times be held or invested separate from other funds or property held by the corporation, and in case of insolvency or liquidation all such funds and investments made therefrom shall be primarily liable and used for the payment of such deposits. (Sec. 2024—77K.)

If any bank, banking institution or trust company, being indebted to the State of Wisconsin, or indebted to any county, city, town or other municipality therein, for deposits made or indebtedness incurred after the passage of this act, becomes insolvent or bankrupt, the state, county, city, town or other municipality shall not be a preferred creditor and shall have no preference or priority of claim whatever over any other creditor or creditors thereof; but a just and fair distribution of the property of such bank, banking institution or trust company, and of the proceeds thereof, shall be made among the creditors thereof pro rata, according to the amount of their respective claims. Nothing herein contained shall in any manner affect the provisions of law as they now exist providing for the payment of unpaid taxes and assessments, laborer's claims, expenses of assignment and execution of the trust. Wis. Statutes, Sec. 2024-81 (Chap. 230, 1899).

WYOMING.

Depositors of Savings Banks.

Receiver of banking corporation, after paying costs and expenses, shall pay liabilities of bank in full, and if insufficient, then pro rata; after paying in full, remaining assets to be divided among shareholders pro rata. Comp. Laws 1910, Sec. 4042.

In case of the insolvency of any savings bank or association, the savings depositors thereof shall be entitled to preference in payment over the shareholders and all other creditors of said bank or association. Comp. Laws, Wyo. (1910), Sec. 4059.

OPINIONS BY GENERAL COUNSEL.

Summary of Questions Received and Opinions Rendered to Members of the Association.

LOST CERTIFICATE OF DEPOSIT.

Where depositor claims negotiable certificate has been lost or stolen, only safe course for bank is to require bond of indemnity before issuing second certificate.

From Nebraska—Recently we issued a certificate of deposit to a party who now claims it has been either lost or stolen and he has instructed us to

stop payment thereon. Our acquaintance with the payee is of short duration and he expects us to issue him a duplicate certificate. He is not able to give us a bond to protect us in case the original certificate ever appeared and we are in doubt as to the best method to pursue.

The point we wish to raise is this: Could we be held for the original certificate in case the payee would transfer it to an innocent party?

Your liability to a bona fide transferee of the original certificate would depend upon whether it was

a negotiable instrument. If the certificate was so worded as to be not negotiable, a transferee would take no greater rights than the payee; but the probabilities are that the certificate of deposit is in negotiable form in which case you would be liable to a bona fide transferee for value of the original. The only safe course in such case would be to require bond of indemnity before issuing a second certificate unless the instrument was for a small amount and you were willing to trust to the word of your depositor that it had been lost or stolen from him and that when lost it had not been indorsed in blank by him—assuming it was payable to his order—for if indorsed in blank before the loss, it could be negotiated by a finder or thief to an innocent purchaser and enforced by him without any consent of the payee to the transfer.

The risk which a bank takes in issuing a second or duplicate certificate upon claim by the depositor of loss or theft of the original negotiable certificate is not only (1) that the depositor is making a false statement and has not lost the certificate in which case it would be in his power to transfer it for value before it became overdue; but also (2) that even if lost or stolen as he says, it bore his indorsement in blank at the time of loss thus being in form capable of transfer by a finder or thief. A bond of indemnity would protect the bank against such risk; or, as said, if the amount of the certificate is small and the bank is willing to believe in the truth of its depositor's statement of loss or theft and that although payable to his order he had never indorsed the certificate in blank, the bank might take his affidavit to that effect and waive the bond.

As matter of information in this connection it may be of interest to note that the banking law of New York provides a form of procedure in case of lost certificates of deposit whereunder a depositor may petition the court for an order compelling payment of the lost certificate or, if he has given bond, for the cancellation of the bond. The statute provides for publication of notice of the proceedings and of a call to any person having the certificate in possession to present the same for payment within a stated time or forfeit his rights. There is provision for a final order declaring the lost certificate null and void and compelling payment of the deposit by the bank to the petitioner or, if payment has been previously made upon a bond, cancelling the bond. The statute forecloses the rights of any holder of the lost certificate and releases the bank from further liability. Shortly after this law was enacted it was held unconstitutional as impairing the obligation of contracts in so far as it affected certificates issued before the act took effect (In re Cook, 86 App. Div. 536) but otherwise the law is valid. There is no such statute in Nebraska. Furthermore, in case of certificates for small amounts, the procedure would probably be impracticable as being too expensive.

The annoyance often caused by the loss of certificates of deposit makes the question a fair one whether the advantages of issuing a certificate in non-negotiable form would not outweigh the advantages of negotiability. Where a certificate is non-negotiable, the bank in case of claim of loss can safely pay or issue a second certificate to a depositor

without the necessity of requiring indemnity, for no transferee can acquire greater rights therein than the original depositor and payee.

PAYMENT OF SAVINGS DEPOSIT ON FORGED ORDER.

Opinion that by-law of bank protects it from liability where reasonable care used—What is reasonable care where payment to person, not purporting to be depositor, who presents pass-book and forged order.

From Kentucky—One George D— presents check to our teller signed Mabel E— for fifty dollars. Our teller informed George D— that the account of Mabel E— was a savings account and that her pass-book would have to be presented to the bank, before we could give him the money on it. Mr. D— left the bank and in an hour or so returned with the check and pass-book of Mabel E—. The teller after comparing the signature on the check with that of Mabel E— on our signature card, found that the signatures were alike and after entering the amount on the pass-book paid to said George D— the fifty dollars. Several days later Mabel E— called at the bank and asked for the amount of her balance, whereupon she declared the check paid to George D— a forgery, and has since filed suit to recover from the bank.

I enclose copy of rules and regulations which are printed in each pass-book in the savings department, also copy of signature card which Mabel E— signed, agreeing to the rules and regulations. Your opinion with citation of authorities will be of material aid in defending suit brought against this bank.

This is a case where a deposit in the savings department of a national bank has been paid upon presentation of the pass-book accompanied by an alleged forged order purporting to be signed by the depositor and payable to or designed to be withdrawn by a third person. Among the "rules and regulations for interest accounts" printed in the pass-book assented to by the depositor as per agreement over her signature on the signature card is the following:

"Rule 4—Deposits may be withdrawn by the depositor in person or by written order, but in either case the pass-book should be presented, that such payments may be duly entered therein. As the officers of the bank may be unable to identify every depositor, the bank will not be responsible for loss sustained, when a depositor has not given notice of his or her book being lost or stolen, if such book be paid in whole or in part on presentation. In all cases, a payment upon presentation of a pass-book shall be a discharge to the bank for the amount so paid."

When a commercial deposit is paid upon a forged check or order the loss so far as the depositor is concerned is that of the bank and the same rule would apply to savings deposits were it not for the fact that savings banks and savings departments of commercial banks quite generally limit their liability by clauses in their pass-books which are generally held to be binding upon savings depositors as contracts. Such pass-book clauses vary somewhat with different banks and although they in terms relieve the bank from liability for a wrong payment, the courts quite generally superadd the condition that the bank must have used reasonable care in making the payment to escape liability.

The ultimate question in nearly every case, therefore, is one of reasonable care. The great majority of cases involving this question have been those where the wrong payment has been made to a person presenting the pass-book and impersonating the depositor, such person either bringing a forged order to the bank or forging the depositor's name to a receipt at the bank; in a much smaller number of cases, the forged order has been of such nature as to indicate that the person presenting it for payment, together with the pass-book, is not the depositor, either being made payable to a third person or if drawn payable to bearer, where the depositor is a woman and the person presenting is a man, or vice versa. The case now presented is of the latter character and it is plain that the requirements of reasonable care would differ somewhat in the two classes of cases; for while in both there could be a comparison of the signature, in the latter class of cases there could be none of the test questions to make sure of the depositor's identity, which are sometimes held necessary to the exercise of reasonable care.

Starting with the general proposition that in the absence of protective rules, your bank would be liable as debtor to your depositor for the amount paid upon the forged order (assuming of course that it was forged), the case you submit involves two questions upon which I will cite authorities:

1. Assuming that your bank exercised reasonable care in making this payment, are you protected by Rule 4?
2. Did your bank exercise reasonable care?

Upon the first question there are authorities to the effect that a clause similar to that of Rule 4 quoted, with the exception of the last sentence or clause, does not apply and is insufficient to protect the bank where payment has been made upon a forged order, with presentation of pass-book, to a third person, but that the last sentence or clause does apply and protect the bank in such case if it has used reasonable care.

In *Kingsley v. Whitman Savings Bank*, 182 Mass. 252, the by-law was as follows:

"As the officers of the institution may be unable to identify every depositor, the corporation will not be responsible for the loss sustained, where a depositor has not given notice of his book being lost or stolen, if such book be paid in whole or in part upon presentation."

In that case the book had been stolen and the bank had paid several forged orders drawn to a third person who in each case presented the book. The court held the object of the by-law was to avoid loss occasioned by the inability of the officers of the bank to identify the depositor and referred to *Goldrick v. Bristol County Sav. Bank*, 123 Mass. 320, where such by-law was held to protect the bank where the book was presented by a person who falsely personated the depositor. But the court held that where the payment was made to one not purporting to be a depositor the by-law did not apply and there was nothing to relieve the bank from paying its debt to its depositor. Similar decisions upon the same form of by-law were made in *Jochumsea v. Suffolk Savings Bank*, 3 Allen (Mass.) 87, 88, and in *Ladd v. Augusta Savings Bank*,

96 Me., 510. In this last named case the court said: "This regulation is limited by its own language to cases where the officers are unable to identify the depositor. It does not purport to apply to the case of a payment made to a person who does not pretend to be a depositor, but who does claim to be duly authorized by the depositor to receive the payment. * * * It may be true that there is as much necessity for some provision in the contract limiting the liability of the bank in the latter case as in the former. The only answer is that, being none, the bank made this payment upon its peril as to the genuineness of the orders."

Decisions of this kind led to the addition by many banks to the form of by-law, just considered, of the following, which constitutes substantially the last sentence or clause in rule No. 4 of your bank:

"In all cases a payment upon presentation of a deposit book shall be a discharge to the corporation for the amount so paid."

This additional clause was held in *Levy v. Franklin Savings Bank*, 117 Mass., 448, to enlarge the by-law so as to protect the bank if it, using reasonable care, in good faith paid the deposit upon presentation of the book upon a forged order to one not purporting to be the depositor. In that case a book, with a forged order, payable to a third person, was presented and paid. The court said: "The added provision enlarges the by-law and extends its operation to other cases than those in which there is a mistake as to the identity of the depositor. Unless it has this effect it is without force and useless. The bank is obliged to deal with a very large number, most of whom must be strangers to its officers. They are unable to identify the persons of depositors and it is equally impossible that they should know their handwriting. The danger of fraud by payment upon forged orders accompanied by the book may be as great as by payments to persons who falsely personate the depositor and present the book."

Rule 4 of your bank is substantially similar to the by-law in *Levy v. Bank* and as construed in that case, its last clause will protect the bank which makes a payment, similar to the one made by your bank, to a person not purporting to be the depositor upon presentation of the pass-book with an order purporting to be signed by the depositor, provided the bank has used reasonable care in making such payment.

The only remaining question, then, is whether your bank used reasonable care. Unfortunately in the *Levy v. Bank* case, there is no statement of the precise facts upon which the conclusion that the bank used reasonable care is based. The court simply states that "the bank introduced evidence tending to show it had paid the money in good faith and with the exercise of reasonable care" and also that the plaintiff had subscribed to the rules and by-laws of the bank.

While there are numerous cases which define what is and what is not reasonable care where payment is made to a person presenting the pass-book with forged order and impersonating the depositor, it is difficult to find a case illustrating reasonable care where the forged order with pass-book is presented by one not purporting to be the depositor.

In *Hough Ave. Savings etc. Co. v. Andersson*, 78 Ohio St. 341, the by-law was the same as your Rule 4. The book was stolen and presented to the bank by one known to the teller. The depositor had been in the bank but twice and was not personally known to the teller who relied upon the fact that he had cashed checks for the one presenting the order before which had proven good. He did not compare the signature with the files of the bank. In this case the court held that the by-law did not protect the bank because reasonable care had not been used. It said: "The by-laws of a savings bank which require presentation of deposit book or due notice to the bank in case of loss of book as condition precedent to payment to depositor, or upon written order, are reasonable conditions and become part of the contract between bank and depositor, when brought to notice of the latter. When in such case the bank makes payment on presentation of the deposit book or pass-book, not to the depositor in person, but upon what purports to be a written order by him but which turns out to be a forgery, the bank is at least bound to act in good faith and exercise reasonable care with a view to avoid payment to a person not lawfully entitled to receive payment; and if in such case it does not so act in good faith and exercise reasonable care, it will be liable to pay again to the lawful owner. * * * The bank is bound to use reasonable care and this is so because public policy will not allow the bank to so strip itself of responsibility by contract as to enable it to safely pay intentionally or heedlessly to one who has come into possession of the pass-book fraudulently or criminally."

Your case differs from this in the material fact that your teller did compare the signature on the forged check with the signature on the card and found that the signatures were alike, whereas in the Ohio case the teller made no comparison of the signature but relied on the fact that he knew the person presenting the order and had paid checks for him before. It seems to me that where there are no circumstances of suspicion surrounding the case, a court would be quite likely to hold that where a check is presented with pass-book by one not purporting to be the depositor, a comparison of signatures and finding that they were similar would be all that was necessary in the exercise of the duty of reasonable care. It is not easy to see what further inquiry or steps would be called for on the part of the teller in such a case.

The case of *Allen v. Williamsburg Savings Bank*, 69 N. Y. 314, may also be cited on this point of reasonable care. Isaac Allen kept the account. Allen's wife presented the book with a forged signature and received the money. The signature differed from the one on file. The court held that it was the duty of the bank to scrutinize and compare and verify the order. This was not done. The payment having been made notwithstanding the difference in the signatures, the bank was held responsible. The Allen case differs from your case in that the signature on the forged check was different from the one on the signature card and the bank paid without comparison and verification of the signature.

In view of the authorities above cited I think (1) that Rule 4 printed in your pass-book and assented

to by the depositor, will be held to protect you in making the payment in question, provided you used reasonable care and (2) the fact that your teller before making payment, compared the signature on the check with that on the signature card and found that they were similar, will be held a sufficient exercise of reasonable care on the part of your bank to relieve it from responsibility, assuming of course there were no circumstances, other than stated in your letter, which would arouse the suspicion of the teller as to the bona fides of the transaction.

PAYMENT OF FORGED CHECK.

Drawee paying forged check cannot recover from bona fide holder receiving payment.

From Oklahoma—I would like to know where a bank in good faith for value purchases from an endorser a check upon another bank, and thereupon endorses and forwards the same to its collection agency for collection and the same is presented by the collection agent to the drawee bank and is paid by the drawee bank, can the drawee bank, after discovering the check to be a forgery, recover the money back from the bank to whom it was paid?

Our bank, we think, has a parallel case at the present time. We accepted a check through our clearing house with one of our local bank's endorsement on it, paid the check and charged it to our customer's account. Two or three weeks after this time we balanced up our customer's pass-book, and he informed us that the check which had been charged to his account was a forgery.

We contend that our bank has the right to charge this check to the bank who cleared it on us, and that they can go to the merchant from whom they obtained the check, and the merchant can go on to the party who forged the check at his place of business. However, our local bank informs us that in their opinion after we have taken the check in the clearing and paid it and charged it to our customer's account, that this is sufficient evidence that our bank accepts the signature.

Kindly let us know the latest decisions on this question.

Our bank and the competitor from whom we received this item are both very anxious to get your opinion relative to this matter.

According to the latest decision by the Supreme Court of Oklahoma, in *Cherokee Nat. Bank v. Union Trust Co.*, decided July 23, 1912, 125 Pac. Rep. 464, your bank would be bound by the payment and cannot recover the money paid. The official syllabus of the court in that case is as follows:

"Where a bank, in good faith and for value, purchases from an indorser a check upon another bank, and thereupon indorses and forwards the same to its collection agency for collection, and the same is presented by the collection agent to the drawee bank, and is paid by the drawee bank, the drawee bank, upon thereafter discovering the check to be a forgery, cannot, by reason of the negotiable instruments law (Sections 4496 and 4622, Comp. Laws 1909), recover the money back from the bank to whom it was paid.

"A drawee, who pays to a bona fide holder a check to which the drawer's name has been forged, cannot recover the amount of such payment.

"The guaranty of an indorsement on a check applies only to the indorser, and does not protect the drawee against the risk of cashing a check to which the maker's name is forged."

The Supreme Court of Oklahoma (American Express Co. v. State Nat. Bank, 27 Okl. 824) had previously decided that the drawee could recover the money paid under circumstances such as stated in your letter but that decision was made in a case which arose before the enactment of the Negotiable Instruments Law and the court in the case just decided holds that, under the provisions of that law, the bank has no right of recovery in the absence of negligence or fraud on the part of a holder to whom the check was paid.

PAYMENT OF FORGED CHECK.

Question of right of drawee which paid forged check through clearings to recover of bank which received on deposit and collected such check—Recovery of payment on forged indorsement not affected by rules of clearing house.

From Washington—A check drawn on the C— National Bank is deposited by a customer of the F— National Bank to his credit and cleared in the usual manner. Tacoma Clearing House rules provide that all checks not good must be returned before two o'clock p. m. of the same day. Three days later the C— National Bank discovers that the signature of the drawer of the check is a forgery and returns the check to the F— National Bank, demanding a refund of the amount. Is the F— National Bank liable?

Tacoma Clearing House rules provide that the clearing house stamp shall be equivalent in all respects to a written indorsement. If the signature of the maker on above check had been genuine and the indorsement forged, would not the F— National Bank be compelled to refund the money to the C— National Bank at any time thereafter?

1. The Supreme Court of Washington in 1902 in *Canadian Bank of Commerce v. Bingham*, 30 Wash. 484, decided that a drawee bank which paid a forged check to another bank which had negligently cashed the check upon indorsement of the payee without inquiry as to its genuineness or requiring identification, could recover the money paid if it acted within a reasonable time. The court held that the constructive negligence of the drawee in such case was overcome by the active negligence of the bank which cashed the check in not using ordinary precautions before cashing it. The court also in this case recognized the principle that money so paid would be recoverable where the recipient would not be placed in a worse position than he would have been in if the bank had refused to pay the check in the first instance.

There is some doubt, however, whether *Bank v. Bingham* would now be regarded as law in Washington upon the proposition last stated in view of the construction which has recently been placed upon the Negotiable Instruments Law by the courts of four states. It has been held in New York (*Title Guaranty Co. v. Haven*, 126 App. Div. 802), in Oregon (*First Nat. Bank v. Bank of Cottage Grove*, 117 Pac. 293), in Missouri (*Nat. Bank of Rolla v. First National Bank of Salem*, 141 Mo. App. 719) and in Oklahoma (*Cherokee National Bank v. Union Trust Co.*, 125 Pac. 464), that the provision of the Negotiable Instruments Law that "the acceptor by accepting the instrument * * * admits the existence of the

drawer, the genuineness of his signature," etc., binds the drawee bank and precludes it from recovering money paid on a forged check to a bona fide holder, not guilty of negligence. Construing this provision of the Negotiable Instruments Law the New York Court said: "A bank which pays a check purporting to be drawn on it by one of its depositors guarantees the existence of the drawer, the genuineness of his signature and his capacity and authority to draw the instrument and where such signature is forged cannot recover back the amount from the person to whom it was paid although the position of the parties to such person has not changed in any respect."

If the rule applied in any of the above cases was applied to the facts presented by you, there could be no recovery by the C— National Bank against the F— National Bank. The Negotiable Instruments Law has been in force in the State of Washington since 1899 and was in force at the time the transaction decided in *Bank v. Bingham* occurred, but the Supreme Court of Washington in deciding that case made no reference to that law. It is somewhat uncertain, therefore, whether or not the construction of the law by the courts in the four states named will be adopted in Washington. To the contrary of this construction it may be noted that in a case recently decided by a lower court in Pennsylvania (*Colonial Trust Co. v. Bank, Superior Court, Alleghany County*, filed July 17, 1912) the provision of the Negotiable Instruments Law referred to was held not to apply to payment of a check on presentation, as distinguished from its acceptance. The court said that where a bank pays a check it is not an acceptance within the meaning of that provision; therefore it does not involve a conclusive admission by the drawee of the genuineness of the signature of the maker and does not preclude the bank from recovering the money paid on a forged check in a proper case.

The question you submit cannot, therefore, be answered with certainty at the present time. If the Negotiable Instruments Law of Washington is to be construed by the courts of that state as it has been in New York, Missouri, Oregon and Oklahoma, the C— National Bank paying the forged check to the F— National Bank, cannot recover payment from the latter, in the absence of a showing that the F— National Bank was negligent in acquiring the check. If, however, that rule is held not to apply, then under the principle announced in *Bank v. Bingham* that there may be recovery unless the one receiving payment would be in a worse position if compelled to refund than if the check had not been paid in the first instance, it might be held that the F— National Bank would be liable to return this money if it was able to recover over from its depositor.

2. Where a check on which the maker's signature is genuine but the indorsement forged is presented and paid through the clearings, the payor bank has a right of recovery against the bank receiving payment and warranting the indorsement, although the check was not returned under the rule which requires that all not good checks must be returned before 2 p. m. the same day. I am not taking time to cite authority in support of this proposition.

NOTE PAYABLE AT BANK.

Where bank receives note for collection payable at same bank and maker's account is insufficient at maturity, instrument should not be charged against subsequent deposits without express instructions from maker.

From Ohio—Where a negotiable note is sent to a bank in this state for collection and returns with instructions if not paid at maturity to hold for further instructions, or is sent without any special instructions but it is the usual practice for the bank to hold over for possible payment if not paid when due, and the note is made payable at the bank in question and is not charged up at maturity to the maker's account because he hasn't sufficient funds to pay it and for no other reason, would the bank be justified in charging the note up to the maker's account if later he deposited enough to meet it without, however, saying anything about payment of the note? In other words, can past due paper where payable at the bank be charged to the maker's account the same as at maturity or does it require a special order from the maker to allow the paper to be charged up after it has been dishonored at maturity?

The Negotiable Instruments Law provides that "where the instrument is made payable at a bank it is equivalent to an order to the bank to pay the same for the account of the principal debtor thereon." Under this, where a bank receives for collection a note payable at its own institution and at maturity the maker's account is sufficient, it is the right and duty of the bank to charge it up; but if the account is not sufficient at maturity and is afterwards made sufficient by subsequent deposits I think it would be unsafe for the bank to assume that it had the right or authority to charge the past due instrument up against such subsequent deposits without an express instruction from the maker to that effect. The point has not been decided in this country and I think the only safe course for the collecting bank to pursue is to obtain a special order from the maker to allow the paper to be charged up.

BANK'S RIGHT OF SET-OFF.

Right of bank to charge dishonored check to indorser's account.

From Tennessee—Our depositor "A" presents a check drawn on a bank in another town "B," at our window and we pay him cash for it, and forward the check through our regular correspondents. Payment on said check is refused by "B" bank and same is returned to us through the regular channels. Have we the right to charge the amount of said check to the account of "A" on our books, or should we proceed to collect from him for reimbursement the same as if he were not a depositor of ours?

In this case your bank did not take the check for collection but purchased it and became owner. I assume your depositor indorsed the check and his liability as indorser was fixed by due demand and notice of dishonor. In such case the question is whether you have the right to set off his deposit against his indebtedness as indorser of the check or, in other words, charge his account with the amount.

It is a general rule that a bank has a right to set off a debt due from the depositor against his deposit but the mutual debts thus set off must be in the same right; for example, it is generally held that a bank cannot apply a deposit to the debt of a firm of which the depositor is a member, nor where the depositor is trustee and his indebtedness to the bank is personal.

Following along this line, Tiffany on Banks (Ed. 1912, p. 71) says: "The bank may not, without the depositor's consent, apply a deposit against a note on which the depositor is an indorser, or a surety, or against a debt guaranteed by the depositor." Citing *Harrison v. Harrison*, 118 Ind. 179; *O'Grady v. Stotts City Bank*, 106 Mo. App. 366; *New Farmers Bank's Trustee v. Young*, 100 Ky. 683. An examination of all these cited cases, however, will show that the depositor was a surety or guarantor on the instrument and not an indorser who had himself received the proceeds from the bank. Thus in *Harrison v. Harrison*, the depositor was a surety on a note which had been executed by the maker to the bank and the court held that in the absence of a contract giving it the right to do so, the bank could not apply money due the depositor to payment of a note on which he was surety, saying that "mutuality is essential to the validity of a set-off and in order that one demand may be set off against another, both must mutually exist between the same parties." In *O'Grady v. Stotts City Bank* it was held that the bank had no right, without the depositor's consent, to apply his deposit to the payment of the check of a third person, drawn in favor of a fourth, which the depositor had guaranteed. In *Trustee v. Young* it was held that the surety on a note held by the trustee of an insolvent bank cannot have his deposit in the bank credited on the note where the maker is solvent.

Notwithstanding the above statement in Tiffany, based on cases which simply indicate that where a depositor is a surety or guarantor of an instrument, the bank cannot take a short hand method of collecting the amount from the surety or guarantor by charging up the instrument against his account, I am inclined to the opinion that the case of an indorser of a note or check who himself receives the proceeds from the bank, stands on a different footing and that where his liability is fixed by due demand and notice, it constitutes an indebtedness to the bank which the latter may rightfully set off against his deposit. In *Shackamaxon Bank v. Kinsler*, 16 Weekly Notes Cases (Pa.) 509, a note was discounted for the benefit, not of the maker, but of the indorser. The bank sued the maker. The court held that the deposit to the credit of the indorser should be set off against the note. In *Ticonic Bank v. Johnson*, 21 Me. 426, a bank discounted a note for an indorser and placed the amount to his credit. Part of this remained on deposit at the maturity of the note. The court said the bank had the right, if it so desired, to apply the balance on deposit in part payment of the note.

While the cases on this subject are not as full and clear as could be desired, I think that where a bank pays value to a depositor for a check indorsed by him, which check is subsequently dishonored and the indorser's liability duly fixed, a case is presented of mutual debt between the same parties which would

entitle the bank to apply the indorser's deposit against his indebtedness on the check and that the bank would not be compelled to first sue and obtain judgment against an indorser not consenting to such application.

SET-OFF AGAINST DECEASED DEPOSITOR.

When depositor dies, bank may apply balance to his credit at time of his death upon a matured indebtedness of depositor.

From Wyoming—One of our depositors dies leaving a small balance to his credit; he also owes us a small past due note. Have we a legal right to apply the amount of his balance on the note without consulting the administrator?

When a depositor dies, indebted to the bank, the latter has the right to apply the balance to his credit at the time of his death upon his indebtedness and is not accountable to the administrator therefor unless the balance exceeds the indebtedness when, of course, it would have to account for the excess. *State Bank v. Armstrong*, 4 Dev. (N. C.) 519; *Little v. City National Bank*, 115 Ky. 629; *Padgett v. Bank of Mountain View*, 125 S. W. (Mo.) 219. In the Kentucky case above cited, set-off was allowed although the depositor's note did not mature until the day after his death. In the Missouri case, the right of application was limited to the amount on deposit at the time of the depositor's death and it was held that funds coming into the bank after the death of the depositor could not be treated by it as a deposit made by him in his lifetime, but as to this money the bank was a trustee only and must account for it to the administrator.

DEPOSIT OF CHECK PAYABLE TO TWO PAYEES.

Where check payable to A and B, who are not partners, is indorsed "A and B per A" and offered for deposit to credit of A's personal account, bank, before accepting deposit, should be satisfied that B has authorized A to make such indorsement—Rule in case of partnership indorsement.

From New York—As a new bank just starting in at this point, we will greatly appreciate enlightenment from you on the following matter:

A few days ago a customer of ours whom we will call John Doe, appeared at our bank with a check drawn to the order of, say, Doe & Roe, in amount \$200.00. This check he had indorsed as follows: "Doe & Roe, per John Doe." He wished us to deposit this check in his personal account. We have no account on our books for Doe & Roe and at the time of this incident we had no knowledge whatever of any partnership between Doe and Roe.

Knowing that Mr. Doe had some financial standing and was good for the amount himself, we entered credit for the \$200.00 to his own personal account, having him indorse, however, personally beneath the indorsement as mentioned above.

Mr. Doe stated that he was operating a farm for Mr. Roe and it was the understanding between him and Mr. Roe that these checks drawn to Doe & Roe were to be handled entirely by John Doe. Under the circumstances we thought it would be well for us to have a statement from Mr. Roe confirming the statement of John Doe and assuring us that transactions

of this kind were perfectly proper. As Mr. Doe stated that he would have further deposits of this nature we requested him to secure such a confirmation for us from Mr. Roe.

Our customer, John Doe, seemed very much offended to think that we questioned his word in the premises and finally came in the next day and withdrew his entire account from our bank, stating as his reason that we were asking something of him that no other bank had ever asked and that he considered we were unreasonable in our request.

Under the circumstances as mentioned do you consider we would have been justified in accepting checks drawn to the order of Doe & Roe and passing same direct to the credit of John Doe without in any way confirming the authority which John Doe stated he had from Mr. Roe in the handling of these checks?

Similar transactions of this kind are coming up here almost daily in the new accounts we are opening and the people seem to take offense when we ask for confirmation or approval from the other partner or other payee on the check as the case may be.

In the foregoing instance we of course were not aware that a regular partnership existed between the parties Doe and Roe. Where we know that a partnership does exist between two or more parties and one of the partners calls at the bank and opens an account in the partnership name stating that he alone will sign all checks drawn, is it customary or necessary for us to protect ourselves by having the arrangement confirmed by one or more of the other partners?

Where a check is payable to Doe and Roe, not partners, and Doe indorses the check "Doe & Roe, per John Doe," and offers it for deposit in your bank to the credit of his personal account, the only safe course for the bank is to satisfy itself by inquiry that Doe had authority to indorse for Roe. The Negotiable Instruments Law provides: "Where an instrument is payable to the order of two or more payees or indorsees who are not partners, all must indorse, unless the one indorsing has authority to indorse for the others." A case was decided in New York in 1903 (*Allen v. Corn Exchange Bank* 87 App. Div. 335) which shows the necessity of making such inquiry. A check payable to Chas. F. & Aaron C. Allen, as the proceeds of land owned and sold by them, was received by Chas. F. Allen who indorsed it "Chas. F. & A. C. Allen, for deposit, Chas. F. Allen," and deposited it to his credit in the Corn Exchange Bank. The court held that the indorsement by one payee of the names of both was insufficient to pass the title of his co-payee unless authorized or subsequently ratified by the latter. No bank, therefore, is safe in receiving on deposit to the personal credit of one of two payees, a check payable to both, without making inquiry whether the other payee has authorized the indorsing payee to transfer the check. Of course, where a bank has confidence in the honesty of its depositor in any particular case it might omit the inquiry and take the risk; but generally speaking, it is the proper course to make inquiry, notwithstanding the depositor's feelings may be hurt, and I think your action was correct.

In a case where Doe and Roe are partners, the general rule is that in the case of a trading or commercial firm, any member has implied authority to indorse and transfer paper payable to the firm's order, by indorsement in the firm name and such transfer may be made to himself. But where the partnership is a non-trading firm, one partner has no implied authority to transfer its paper by indorsement. Assuming Doe & Roe are a non-trading partnership,

it would be equally necessary to inquire as to Mr. Doe's authority to indorse the firm name to checks payable to the firm which he seeks to deposit in his individual account. If, however, Doe & Roe were a commercial partnership the bank would have the right to presume that Doe had power to transfer the paper and deposit it in his individual account unless there were outside facts which would indicate that he was not acting in good faith.

You further ask: "Where we know that a partnership does exist between two or more parties and one of the partners calls at the bank and opens an account in the partnership name stating that he alone will sign all checks drawn, is it customary or necessary for us to protect ourselves by having the arrangement confirmed by one or more of the other partners?" I think in such case the bank should have the arrangement confirmed or approved by the other partners. Where A & B form a partnership, and A comes to the bank to open a firm account and states that he alone will sign checks, it certainly is the proper course for the bank to obtain confirmation from the other partner of A's statement of the existence of the partnership, its character or purpose and that A, alone, is authorized to sign checks.

CERTIFICATION OF CHECK.

Bank under no obligation to holder to certify check when presented with incorrect indorsement.

From California—We would like your opinion regarding certifying checks. A few months ago a check amounting to \$5,000 was sent to us by a nearby correspondent for payment and we refused it because the check was not indorsed. They indorsed the man's name themselves and sent it up again. We refused it. They again sent the check up and wanted us to certify it. The account was in funds all right but we refused to certify the check on account of the incorrect indorsement. Later the check was properly indorsed and paid.

Our correspondent states as follows: "We have taken the matter up with our attorneys and they are satisfied that where a check is presented to a paying bank and payment refused solely on account of incorrect indorsements, the bank must certify to same on request of the holder providing the account on which check is drawn is in funds."

Our attorney advises us that we are not compelled to certify a check as our correspondent demanded and our refusal to do so causes no liability upon the bank. We would like to have your opinion so that we will know how to act in the matter in the future.

Certification of a check is a matter of favor or accommodation, but not a matter of obligation on the part of a bank. Many banks do certify in cases where the funds are sufficient but the indorsement irregular, "good when properly indorsed," but there is no law which compels them so to do and certification in such cases is often refused. The only obligation of a bank is to pay a check when duly presented and, except in a very few states where a check is an assignment, this obligation only runs to the customer or drawer and there is no liability to the holder of the check even if a refusal to pay is without justification. Your bank, therefore, had a right to refuse to certify in the case submitted and incurred no liability to anyone because of such refusal.

PAYMENT OF INTEREST IN ADVANCE.

Where maker of demand note pays interest for three months in advance to bank holding note, such payment does not of itself constitute an agreement extending time of payment of the principal for three months—In some states such payment is, and in other states is not, prima facie evidence of agreement to extend; but it is in no case conclusive evidence.

From New Jersey—Will you kindly give us an opinion on the following: We loaned to one of our depositors, a corporation under the laws of New Jersey, \$1,000 on their demand note properly signed and indorsed. Every three months they pay the interest for three months in advance and take our receipt for interest to a certain date and we indorse on the back of the note interest paid to the date shown on their receipt. By so doing do we impair our right to make and enforce payment on demand before the date to which the interest is paid?

The receipt of interest in advance for a definite period beyond maturity of a note is not, of itself, conclusive evidence of an agreement extending the time of payment of the principal to the date to which interest is paid.

Some courts have held that the receipt of interest in advance is prima facie evidence of such an agreement. For example, in *Kellam v. Brode*, 82 Pac. 213, it was held that the acceptance of interest in advance on a note, while prima facie evidence of a contract to forbear and delay the time of payment, is not conclusive and, unless it was agreed that such payment should have such effect, it does not suspend the holder's right of action on the note.

Other courts have held that the acceptance of advance interest is neither prima facie nor sufficient evidence. See, for example, *Amberg v. Nachtway*, 92 Ill. App. 608, in which it was held that a valid and binding agreement for the extension of the time of payment of a note cannot be inferred from the mere fact that the holder received payments of interest after its maturity.

But whether the acceptance of interest in advance is or is not prima facie evidence of an agreement to extend the time of payment of the principal to the end of the period for which interest is paid, such agreement may be inferred from other facts and circumstances. For example, in *Preston v. Henning*, 69 Ky. 556, where the maker advanced six annual payments of interest under the belief that he was purchasing extension for that length of time, the acceptance of such payments with knowledge of this belief was held to operate as an extension.

I do not find that the question has been considered by the courts of New Jersey but, in the light of authorities elsewhere, the acceptance by you of interest for three months in advance on a demand note would not, of itself, prevent your enforcing payment of the principal before the expiration of the three months, unless there was some understanding or agreement between the borrower and your bank that such payment of advance interest extended the time for payment of the principal to the end of the three months' period.

TRANSFER OF STOCK.

Where A signs transfer and power of attorney on stock certificate and delivers to B for value, A's subsequent death does not affect B's right to have stock transferred on books of corporation—but if A's death occurs before delivery of certificate, doubtful if subsequent delivery would be effectual.

From New Jersey—A sells to B stock in a corporation, signing the transfer and power of attorney on back of the certificate and delivering the same to B. Before B has the transfer made on the books of the corporation, by virtue of the power of attorney, A dies. What effect, if any, does the death of A have on the assignment?

Suppose A signs the transfer and power of attorney on a certificate which is not delivered until after his death. Would the transfer and power be valid?

In the case first stated, where A dies after selling to B his stock in a corporation, signing the transfer and power of attorney on back of the certificate and delivering the same to B, the latter would have a right to have the stock transferred on the books of the corporation. The power of attorney, being coupled with an interest, the death of A would not revoke it.

In the second supposed case, where A signs the transfer and power of attorney on a certificate but dies before its delivery to the purchaser, it is doubtful under existing law whether delivery after his death would be effectual although, of course, the purchaser would have some legal remedy against his estate. It is the rule as to commercial paper that delivery cannot be made after the death of the maker (Randolph Com. Paper, Sec. 221, and cases cited) and I presume the same rule would apply in the case of stock certificates.

It is interesting to note in this connection that the Uniform Stock Transfer Act which has been enacted in a few states, though not in New Jersey, provides (Sec. 6) that indorsement of a certificate is effectual though the indorser has died after the indorsement, whether before or after delivery of the certificate, except (Sec. 7) that if delivery was made after the owner's death, possession of the instrument may be reclaimed and the transfer rescinded unless the certificate has been transferred to a purchaser for value in good faith without notice of any facts making the transfer wrongful or the injured person has elected to waive the injury or has been guilty of laches in endeavoring to enforce his rights.

STATEMENT OF "PARTICULAR FUND" IN NEGOTIABLE INSTRUMENT.

Explanation of meaning of and distinction between provisions of Negotiable Instruments Law that (a) order or promise to pay is unconditional though coupled with indication of particular fund out of which reimbursement is to be made and (b) order or promise to pay out of particular fund is not unconditional.

From Alabama—Section 1, paragraph 2, of the Negotiable Instruments Law states that an instrument to be negotiable "must contain an UNCONDITIONAL promise or order to pay a sum certain in money."

Section 3 reads as follows: "An unqualified order or promise to pay is UNCONDITIONAL within the meaning of this Act, though coupled with:

1. An indication of a particular fund out of which reimbursement is to be made, or a particular account to be debited with the amount; or

2. A statement of the transaction, which gives rise to the instrument. But an order or promise to pay out of a particular fund is NOT UNCONDITIONAL.

It is a bit difficult for us to understand the exact meaning of the above sections; that is, they seem to conflict with each other in meaning. I would thank you for your opinion with brief explanation.

The last sentence in paragraph 2 of Section 3 is what creates confusion in our mind, trying to arrive at its relation to the foregoing paragraphs. It is my opinion that it is the intention of the act to make all orders and promises to pay out of a particular fund NEGOTIABLE and UNCONDITIONAL, while in ordinary usage an order or promise to pay out of a particular fund would not be UNCONDITIONAL. This fact would not destroy or affect the negotiability of an instrument which stated that the same was an order or promise to pay out of a particular fund, would it?

There is no inconsistency in the provisions referred to. Section 1, paragraph 2 states the general proposition that to be negotiable an instrument "must contain an unconditional promise or order to pay a sum certain in money." This needs no especial explanation. If the promise or order was conditional, the instrument would not be absolutely payable at all events—the condition upon which payment was made to depend might never exist or be performed—and the instrument would therefore lack the necessary certainty to make it negotiable.

The provisions of Section 3 as to which you have difficulty define certain cases where the order or promise is to be deemed (1) unconditional and (2) not unconditional. That is to say, the order or promise

(1) "is unconditional * * * though coupled with an indication of a particular fund out of which reimbursement is to be made * * *"

(2) "But an order or promise to pay out of a particular fund is not unconditional."

These provisions simply codify well established rules of the law merchant growing out of certain cases where instruments were made payable out of a particular fund and of certain other cases where the instruments were not payable out of a particular fund but simply indicated a particular fund out of which the payor might reimburse himself. The law merchant made a distinction between these two classes of cases as follows:

Instruments payable out of a particular fund were held non-negotiable because payment was conditional upon the sufficiency of the fund; if there was no fund or it was inadequate, the instrument would not be payable. For example, an order to pay "out of any money in his hands belonging to me" was held to imply a contingency and to be non-negotiable. *Avrett v. Booker*, 15 Grat., 165. The court said: "Here the sum to be paid is not payable absolutely and in all events. It is payable out of a particular fund, to wit: the moneys, if any, in the hands of the drawee belonging to the drawer." So, also, where the instrument was payable "out of the net proceeds of certain ore," *Worden v. Dodge*, 4 Denio, 159, or "out of my part of the estate of A." *West v. Forman*, 21 Ala.

400. In the above cases (and many others might be cited) if there was no money in the drawee's hands belonging to the drawer or no net proceeds of certain ore or no estate of A, the instrument would not be payable at all, as the existence of these conditions was requisite; therefore, as the Negotiable Instruments Law provides, an order or promise to pay out of a particular fund is not unconditional; but is conditional on the existence of the fund.

But the law merchant distinguished the above class of cases from another class where the instrument simply indicated a particular fund out of which the payor might reimburse himself. In this class of cases, even though the particular fund indicated did not exist, the instrument was held payable absolutely and at all events. I quote the rule of the law merchant as stated in Daniel on Negotiable Instruments, Section 51: "The statement as to a particular fund in a bill, however, will not vitiate it, if inserted merely as an indication to the drawee how to reimburse himself or to show to what account it shall be charged. Thus, where the bill said 'and charge the same against whatever amount may be due me for my share of fish' it was held a mere indication of the means of reimbursement and the payment not limited to the proceeds of the fish." Citing *Redman v. Adams*, 51 Me. 433. In quite a recent case before the Supreme Court of Kansas an order drawn by the X Co., directing payment of a certain sum "on account of contract between you (the drawee) and the X Co.," was held unconditional and negotiable, the words "on account of" not having the same effect as "out of the proceeds of." *First Nat. Bank v. Lightner*, 74 Kan. 736.

I trust the above makes sufficiently clear the distinction between the provisions of the Negotiable Instruments Law referred to and that there is no inconsistency between the provision that an order or promise is unconditional though coupled with an indication of a particular fund out of which reimbursement is to be made and the further provision that an order or promise to pay out of a particular fund is not unconditional.

You ask if "it is the intention of the act to make all orders and promises to pay out of a particular fund negotiable and unconditional?" On the contrary, the act plainly states that an order or promise to pay out of a particular fund is not unconditional and this, I have attempted to show, is not inconsistent with the other provision referred to.

"ORDER NOTIFY" BILL OF LADING.

Question as to responsibility of collecting bank supplying shipper's indorsement.

From Alabama—We frequently receive "order notify" bills of lading attached to drafts through our collection department, on which the shipper has failed to supply the proper indorsement. As it is impossible to get the indorsement of the consignor without considerable delay, we have in rare cases supplied it. The question naturally arises as to the extent of our liability in the event a dispute should occur between the consignor and consignee, and we will thank you to give us your valued opinion in the premises.

The supplying of the shipper's indorsement on an "order notify" bill of lading is done, presumably, as agent of the shipper to facilitate the payment of the draft and obtaining of the goods by the consignee and ordinarily it would involve no liability upon the bank. But it seems to me there would be a risk should the bill of lading (1) be a forgery or (2) have been issued by the agent as an accommodation to the shipper or collusively with no goods behind it. The question in such cases would be whether by indorsing the shipper's name you would be warranting to the consignee in the one case that the bill is genuine and, in the other, that the goods were behind the bill.

Ordinarily where a bank collects a draft with bill of lading attached bearing the shipper's indorsement and the bill of lading turns out to be forged or contains a false statement as to receipt of the goods, the bank would not be liable to the drawee who pays the draft while the shipper, who has indorsed the bill of lading in blank would probably be responsible to the consignee as warrantor in such cases; but if the shipper has failed to indorse the bill of lading and the collecting bank supplies the indorsement it is not unlikely that the bank, in such case, would be held equally responsible. The conclusion which it would seem reasonable to reach, is that your bank would incur no responsibility by supplying an indorsement where the transaction was bona fide and the bill of lading represented actual goods, but might incur a responsibility in the event of a forged or false bill of lading and if the shipper proved irresponsible and the money had been paid over to him, the bank might be the loser.

INDORSEMENT OF CHECK.

Opinion that indorsement of check "Pay yourselves or order" would be construed as an indorsement to the drawee and not to another holder to whom the check was forwarded.

From Wisconsin—A Chicago bank mailed to a bank in this city, certain checks drawn on another bank. These checks bore the indorsements of several banks and were indorsed by the Chicago bank as follows:

"Pay yourselves or order, Bank, Chicago, Ill."

The Chicago bank had accounts with both banks in this city. The letter enclosing the items was sent to the one bank and the checks in due time were presented for payment to the other bank. The bank on which the checks were drawn, refused payment on account of indorsement, holding that the indorsement of the Chicago bank, "Pay yourselves or order," made the checks payable only to the bank on whom they were drawn. To sum up the foregoing, what we would like to know is, does the indorsement "Pay yourselves or order" make the items payable to the party who has possession of the item or only to the bank on which the item may be drawn?

The indorsement "Pay yourselves or order" would undoubtedly be construed as an indorsement to the bank upon which the check is drawn and not to the bank to whom the check had been forwarded. The Negotiable Instruments Law provides that an instrument may be drawn payable to the order of the drawee. Equally it may be indorsed to the order of the drawee. In this case the indorsement does not specify the drawee by name, but as the check is addressed to the drawee by name, the indorsement "pay yourselves or order" must certainly be construed as referring to the drawee to whom the check is addressed and not to any other holder. Doubtless this was the intention of the indorsing bank and the sending to the other bank was through error. As the indorsement orders the drawee to pay to itself, its refusal to pay to the bank holding the check was of course justified.



PROTECTIVE DEPARTMENT



L.W. GAMMON

MANAGER

OFFICES OF THE WILLIAM J. BURNS NATIONAL DETECTIVE AGENCY, INC.

CALIFORNIA, LOS ANGELES.—Walter P. Story Building.
CALIFORNIA, SAN FRANCISCO.—First National Bank Building.
COLORADO, DENVER.—First National Bank Building.
GEORGIA, ATLANTA.—Empire Life Building.
ILLINOIS, CHICAGO.—First National Bank Building.
LOUISIANA, NEW ORLEANS.—Whitney Central Building.
MARYLAND, BALTIMORE.—Munsey Building.
MASSACHUSETTS, BOSTON.—201 Devonshire Street.
MICHIGAN, DETROIT.—Ford Building.
MINNESOTA, MINNEAPOLIS.—McKnight Building.
MISSOURI, KANSAS CITY.—Midland Building.
MISSOURI, ST. LOUIS.—Frisco Building.

NEW YORK, NEW YORK CITY.—21 Park Row.
OHIO, CLEVELAND.—Rockefeller Building.
OREGON, PORTLAND.—Yeon Building.
PENNSYLVANIA, PHILADELPHIA.—Real Estate Trust Building.
PENNSYLVANIA, PITTSBURGH.—Commonwealth Building.
TEXAS, HOUSTON.—Union National Bank Building.
WASHINGTON, SEATTLE.—Hinckley Block.

CORRESPONDENTS OF THE WILLIAM J. BURNS NATIONAL DETECTIVE AGENCY, INC.

IOWA, DES MOINES.—The Gust. J. Patek Detective Agency, 515 Mulberry Street.
ENGLAND, LONDON.—Arrow's Detective Agency, 89 Chancery Lane.
FRANCE, PARIS.—Calchas & Debisschop, 15-17 Rue Auber.

THE following is a report for the month of October, 1912, pertaining to the work of the Protective Department:

WANTED.

A bank (M) of Oneonta, Ala., has issued a warrant for one W. A. Rucker formerly of Pulaski, Tenn., charging forgery. He is described as follows: Age, about 38; height, 5 ft. 9 in.; weight, 145 lbs.; dark hair and eyes; dark complexion; clean shaven; has a peculiar walk as if swaying from side to side, this on account of the fact of having had both ankles broken. An active search is now being made for Rucker.



NETTIE ALEXANDER.

Nettie Alexander, a negress, using the name of Mrs. James Wise, alias Nettie Wise, passed a forged check on a bank (M) in Los Angeles. The name forged was that of her supposed husband, James Wise, with whom she is living. A picture of Nettie Wise, alias Alexander is reproduced above. She is described as follows: Age, 23 years; height, 5 feet; weight, 120 pounds; build, medium; eyes, dark; hair, black and kinky; small mouth; very white teeth and small hands. This woman is being sought in the interests of this Association and the California Bankers Association.

Party using the name of Cora L. Brown obtained in some way, through the mails, a check which was sent to one John Brown, at Los Angeles. A bank (M) in Los Angeles, has been defrauded in the amount of this check by means of a forged endorsement. The bank (M) is unable to give a description of this

party, who, it is alleged, first opened a small account at this bank and later deposited this check to the credit of her account. Later in the day she returned and drew out her whole balance. Our detective agents, working in the interests of this Association and the California Bankers Association, are searching for this woman.

Party using the name of George Harrison is reported by a bank (M) of Los Angeles, California, as passing forged checks in San Francisco on private individuals. This party poses as an employee of the Revier Film Company, and uses checks of the Revier Film Company, Universal Branch, and are drawn on the Park Bank, of Los Angeles; signed by the Revier Film Company, Harry Revier, president; countersigned, James Burn, treasurer.

M. E. Hershey, whose real name is said to be M. D. Nelson, defrauded a bank (M) of Los Angeles by forging several checks.

Nelson is described as follows: Age, 22 (appears to be older); height, 5 feet 11 inches; weight, 165 to 170 pounds; complexion, dark; hair, medium chestnut; eyes, grayish blue; face, slightly sunken; large nose; has been wearing a blue Norfolk suit; black shoes and light gray soft hat. The search for this party is being made in the interests of this Association and the California Bankers Association.



LACEY ELLIOTT THOMAS.

Lacey Elliott Thomas, whose photograph is reproduced above, it is alleged, forged the name of his father, J. C. Thomas, to a number of checks drawn

upon a San Francisco Bank (M). Thomas acted as Secretary of the "International Protective Association, Inc.," which is a collection agency. On Sept. 23, 1912, the case was reported to our detective agents. Thomas left a trail of bad checks in his wake. Warrants for his arrest have been issued in San Francisco, Sacramento, Marysville, Oroville and Quincy, Cal. This man's description is as follows: Age, 30 years; height, 6 feet; weight, 160 pounds; complexion, dark; hair, dark; smooth shaven; always wears glasses; wears his hat slightly on one side of his head and smokes a bulldog pipe. The California Bankers Association is also interested in this investigation.

A fifteen-year-old boy named Hymey Lyman succeeded in cashing a forged check at a South Norwalk, Conn., bank (M) last month, the check purporting to bear the signature of his employer. Before the forgery was discovered the boy left town and has not yet been located. He is described as being 15 years of age; 5 feet in height; weighing 90 pounds; very dark brown hair; dark eyes and dark complexion; large ears; filling fallen out from an upper front tooth; finger nails bitten off. His home is in New York City, but he may have gone to Trenton or Philadelphia. He is also said to be on parole granted by some New York court.

A membership bank at Villisca, Iowa, reports the operations of a swindler named George F. Adams, who represented himself in that town to a local restaurant keeper as the representative of a party supposed to be Chas. H. Mitchell, a paving contractor. He claimed that this party had just closed a contract for some paving and wanted to cash a \$25.00 check drawn on a bank member of Council Bluffs, Iowa, and signed Chas. H. Mitchell, Secretary and Treasurer. He is described as follows: Age, about 55 years; height, 5 feet 7 inches; weight, 150 or 160 pounds; eyes, blue; complexion, rather tanned and dark; mustache, sandy; thin face; upper set of false teeth and lower teeth badly worn making his face have a wrinkled appearance. Wore bluish gray suit with cap about same color and brownish tan overcoat.

A membership bank of Edgerton, Kansas, has reported the operations of a forger named J. R. Cook, who has passed two checks bearing the forged signature of a customer of the bank.

A membership bank at Madison, Kansas, reports a loss through a forged check passed by Chas. A. Knapp at the bank September 9, 1912. Knapp is described as follows: Age, 55 years; height, 5 feet 10 inches; rather slender; dark brown hair; small mustache close cropped even with lower lip; he was formerly a jockey but is now a day laborer. A reproduction of his handwriting appears below.

C. A. Knapp

On October 14, 1912, a bank (M) at Shreveport, La., reported that W. C. Coles alias W. C. Coleman alias W. C. Swallie, had forged the name of one of their depositors. Our detective agents were notified and traced Coles from Shreveport to Dallas, Tex.

Coles is a telephone lineman, about 5 feet 8 inches in height; 140 pounds in weight; fair complexion; brown hair; smooth shaven; a good talker. His hands do not indicate that he has been engaged at very hard work of late.

A bank (M) at Franklin, Mass., has reported that they have received several checks cashed by private individuals in adjacent towns drawn by a man supposed to be C. E. Chandler. The checks are generally bogus, the bank having no accounts in the

names used. This man is also a forger, having signed the name of a depositor in one instance at least, without authority. The checks are printed on pink paper and taken from a pocket check book. In two cases reported non-member banks have been defrauded.

A bank (M) at Detroit, Michigan, on October 18, 1912, reported having received a worthless check, cashed by a local hotel in Boston, using the firm name of the Lozier Motor Company of Detroit, Michigan, payable to the order of Edward Deveraux, signed by E. P. Earle, and countersigned by Raymond P. Fosdick. These checks are not the regular form used by the Lozier Motor Company, and signature of E. P. Earle and Raymond P. Fosdick are described as being forgeries. This man had formerly been employed with this firm for about one month, and was recently seen in Boston by one of the officials of this company.

He is described as follows: Age, about 27 years; height, 5 feet 6 inches; weight, 140 pounds; build, medium; occupation, automobile repair man and field mechanic; nationality, French.

On October 12, 1912, a Bank (M) at Detroit, Mich., reported having received numerous worthless checks, ranging from \$32.00 to \$75.00 in the past month, which have been passed on various hotels and business houses in Quebec, and vicinity. These checks are made payable to W. C. Day and drawn on this bank, using a fictitious firm name of Marshall, Hayden and Day. These checks are not the regular form used by this bank. This swindler is described as being: Age, 30 years; height, 5 feet 9 inches; weight, 140 pounds; build, slender; complexion, dark; hair, gray mixed, wavy; eyes, dark; clothes, gray; speech, sharp, abrupt.

A bank (M) at Tupelo, Miss., reported a loss by means of a raised check. The check was altered over the signature of a depositor of the bank by one C. L. Cole, who is about 29 years of age, 5 feet 10 inches in height, 160 pounds in weight, dark complexion, very black hair, keen dark eyes, scar on upper lip, smooth shaven or may have a mustache, hollow chested, has limited education and carries himself carelessly.

On Sept. 21, 1912, a bank (M) of Cleveland, Ohio, reported that they had been receiving numerous bogus checks bearing a certification mark for small amounts, some being drawn on their bank and others on a bank (M) in Philadelphia. These checks are made payable to Frank Gibbon, F. G. Todd and others and signed "Jas. Kellogg" and "D. G. Kaulback." Our detective agents have recognized this swindler as one who operated in Pittsburgh, Philadelphia, New York and Cleveland, last April under the name of Alvin B. Cameron alias Chittenden and alias Fisher.

This operator is said to be about 27 to 30 years of age; 5 feet 11 inches in height; 160 to 170 pounds in weight; dark hair; Roman nose; slender build; sallow complexion; stutters when talking; one or two fingers missing on left hand; usually dresses well and after gaining the confidence of cafe and saloon proprietors, succeeds in having small checks cashed.

Our detective agents are in receipt of information that one J. M. Langford and his wife have succeeded in passing some bogus checks in Dayton, Ohio. Their method is to rent a furnished room and give a check in payment, receiving the difference in cash. The fraudulent checks are all drawn on a bank (M) of Des Moines, Iowa.

Langford is described as follows: Age, 24 years; height, 5 feet 7 inches; weight, 160 pounds; black hair; wears dark clothes and black derby hat.

Mrs. Langford is reported to be about the same age, height and weight; blonde hair and wears a black dress and long brown coat.

On October 16, 1912, a bank (M) at Sandusky, Ohio, reported that a swindler using the name of

W. A. Wilson, had succeeded in cashing a worthless check drawn on a bank (M) at New Castle, Pa.

This swindler's method was to introduce himself to local K. of P. members and through them have a check cashed, claiming to have received it from his brother, and that he was in towa stranded, etc. He usually was successful and succeeded in getting checks cashed at Huron, Sandusky and Ashland, Ohio, using names of Meyers and W. A. Wilson. He is described as follows: A young man of medium height and slender build, well dressed and usually stops at good hotels. Our detective agents have been notified and are endeavoring to effect the swindler's apprehension.

On October 1, 1912, a bank (M) of Toledo, Ohio, reported that they had been defrauded by means of a forged voucher check. Our detective agents were notified and immediately started an investigation and found that one James J. Hawley, had procured a blank sample voucher used by one of the bank's customers from their printer as a sample, afterwards forging the name and presented check to Secor Hotel, Toledo, Ohio, for collection. Investigation developed that Hawley had left the city.

James J. Hawley is described as follows: Age, 28 to 30; height, 6 feet; weight, 150; build, slender; complexion, florid; eyes, light; hair, light; square shouldered; neat dresser; appearance of college youth.

A membership bank at Vinita, Okla., has made a complaint regarding a loss in connection with a mortgage given by a man named O. A. Erickson, which was fraudulent. Investigation by our detective agents shows that Erickson swindled a number of people in addition to the bank. A warrant is in the hands of Sheriff Ridenhour for his arrest.

The swindler is said to be about 45 to 50 years of age, about six feet in height, 160 pounds in weight, of medium build with iron gray hair; has very large feet and is a Swede.

A bank (M) at Forest Grove, Oregon, reports party cashing worthless checks, signed E. L. Davenport, B. F. Gorman, and P. M. Merrifield, drawn on the Citizens National Bank, Baker City, Oregon, and Baker City Loan and Trust Company of Baker, Oregon, also the Security Savings Bank of Los Angeles, California.

E. L. Davenport was formerly advance agent for the Frank Miller Shows and is described as follows: Age, 50; height, 6 feet; weight, 210 to 220 pounds; build, stately; complexion, ruddy; eyes, blue; hair, gray; nationality, American; smooth shaven; peculiarities: talks with a Southern accent; dresses in light suit, tan Fedora hat with large brim and has the appearance of a business man and show man; is a smooth rapid talker and acts quickly; is very attractive and a good dresser; walks erect; smokes "Tom Keene" cigars; wears gold chain, also a gold band ring on right small finger; carries tan leather handbag and is very "important" in appearance. The Oregon Bankers Association is interested in this case with the American Bankers Association.

A specimen of this operator's handwriting is shown below.

E. L. Davenport

A bank (M) at Independence, Ore., has sworn to a complaint against Robert L. Cooper alias M. D. Davis alias C. D. Davis alias George Hamilton alias W. T. Reed alias George Leach alias George Haynes alias Chas. F. Carter alias J. M. Hoyt, etc., for defrauding them by means of a worthless check. An investigation by our detective agents developed the fact that Cooper, under the name of M. D. Davis, had also defrauded a bank (M) at Corvallis, Ore., by means of a worthless check. Cooper also defrauded a number of merchants at Corvallis and at Inde-

pendence by making small purchases and paying for same with worthless checks, securing the difference between the amount of the purchase and the amount of the check in cash.

Cooper is described as follows: Age, 23 to 25 years; height, 5 feet 6 or 7 inches; weight, 140 pounds; medium build; tanned complexion; dark eyes and dark hair.

The Oregon Bankers Association is interested in this case with the American Bankers Association. A copy of Cooper's handwriting is shown below.

Robt. Cooper

A warrant has been issued for the arrest of E. B. Carr on complaint of a Philadelphia business man on the charge of attempting to obtain money on a false and fraudulent instrument. Carr has defrauded several individuals with fraudulent cashier's checks but thus far no bank (M) has been reported as a victim of his transactions. The checks used purported to have been issued by a bank (M) at St. Louis, Mo., drawn on a trust company (M) at Louisville, Ky.

Carr is said to be between 50 and 55 years of age, 5 feet 10 inches in height, 155 pounds in weight, well built, light complexion, gray hair, wearing a mustache, scar on right forehead. He is something of a promoter and is said to be living in Philadelphia.

A man giving the name of H. Harris is wanted for forgery of a check drawn on a bank (M) of Philadelphia, Pa., and is described as follows: About 50 years of age; height, 5 feet 7 inches; weight, about 165 pounds; build, stout, with broad shoulders; complexion, dark; hair, black; medium sandy mustache; usually wears a golf cap; is a Russian Jew; and his occupation is a junk dealer.

A bank (M) in Houston, Texas, advises that a party using the name of John P. Randolph has been issuing cashier's checks on check forms of the Texas Trust Company, which institution no longer exists, drawn on the Fourth National Bank of New York City. Randolph has been lately operating in the vicinity of Hampton, Va., where he succeeded in having a local attorney in that city endorse one of the checks, which check at the time, bore the purported endorsement of a prominent law firm in Richmond, Va. Randolph's method is to secure the acquaintance of some prominent attorney in the town he desires to operate in, and later through misrepresentations he obtains the attorney's endorsement on one of the worthless cashier's checks which he carries. Randolph also uses the name of Wyndham Kemp, Jr., in carrying out his designs. A specimen of this party's handwriting is shown below.

Wyndham Kemp Jr

A membership bank at Norfolk, Va., has reported a loss by means of several checks to which the signature of one of their customers was forged by one Thomas Florence Nolan. Nolan, who is a bookkeeper, was engaged to do some work for the bank's depositor and took advantage of his position to take a number of blank checks from his employer's check book which he filled out and was successful in cashing.

Nolan, whose home is said to be at West Point, Ga., is 30 years of age; 6 feet 1 inch in height; 161 pounds in weight; light hair; ruddy complexion; smooth shaven; long nose and long pointed face; has an upper front tooth broken, making his teeth very

noticeable; may be using either a Shriner or Elk card bearing the name of W. L. Allard; is supposed to have gone to some Southern point or to the Pacific Coast.

Clarence Lockhardt, alias C. F. Fitch, while working as a farm hand near Lamont, Wash., received in payment for his services from his farmer employer a check. Lockhardt altered the check to read for a larger amount, and presented same to the bank and it was cashed.

His description is as follows: Age, 19 or 20; height, 6 feet; weight, 160 lbs.; eyes, blue; hair, light; smooth shaven; occupation, farm hand; right eye turned in slightly; is a cigarette fiend.

A bank member of Hartford, Wis., reports a forgery executed by Alois Nedved, who forged the name of his former roommate and fellow countryman, a depositor at the bank. Through information secured by our detective representatives it develops that very likely Nedved has returned to his native land, Bulgaria.

Checks bearing the forged signature of a depositor of a Superior, Wis., bank member, have appeared. Through an investigation by our detective agents, it was learned that the check book of Christ Matson, a depositor, had been stolen from his room at a hotel. The party forging the checks had used the name of Christ Matson and was last heard of at St. Louis, Mo. He is described: About 30 years of age; five feet eleven inches tall; weighs about 160 pounds; dark complexion and dark hair; slender build; appears very nervous; large eyes set back in head.

Since the last warning issued through the columns of the Journal, reports have been received that the gang of swindlers operating with bogus drafts drawn on Western bank members, are active in the South. The identity of the members of the gang has been practically established by our detective agents.

A number of bogus cashier's checks have recently been cashed at different Southern points by a man representing himself to be S. C. Bullard. Banks (Ms) as well as merchants have been the victims of this fellow's fraudulent operations. The checks are apparently drawn by the cashier of a bank (M) at Albany, Ga., on a New York City bank (M). In one instance one of the checks was cashed by a woman who presumably is an accomplice of Bullard's.

Bullard is described as being about medium height, dark complexion, large eyes inclined to be inflamed, spare build, clean shaven, and of pleasing address; weighs about 135 pounds.

The woman connected with this man's operations is said to be between 35 and 40 years of age, and weighing about 115 pounds. She was well dressed in black skirt and white waist with large black hat.

The following arrests and court actions are not included in the statistics as reported, since they do not directly affect members of the Association. Their publication together with other data being a precautionary measure:

A. Seymour Brown, who has been drawing what purported to be certified checks on a trust company (M) in New York City, where he had no account, was arrested in Terre Haute, Ind., after having victimized hotels and individuals. He gave the name of Robert E. Klyle when taken into custody. He is reported to be 24 years of age; 5 feet 2 1-4 inches in height; 122 pounds in weight; fair complexion; brown hair; brown eyes; medium slender build and smooth shaven.

William Irwin Hart, a deaf mute, was arrested by the San Francisco representative of our detective agents, September 19, 1912, for passing a number of forged checks on merchants of Colusa County, Cal. Hart was returned to Colusa, Cal., for trial. His case is still pending. Hart's description is as follows: Nativity, Californian; age, 24 years; height, 5 feet

10 5-8 inches; weight, 142 pounds; complexion, light; hair, light chestnut and wavy; smooth shaven; eyes, gray; occupation, farm hand; mole on right cheek near mouth.

Our detective agents are in receipt of information that one H. G. Hunter and one Frank Hales, were arrested in Portsmouth, Ohio, for passing worthless checks on town merchants and were sentenced to the county jail. Hunter's sentence will expire Nov. 25th and Hales' sentence will expire October 28, 1912.

H. G. Hunter is described as follows: Age, 23; height, 5 feet 10 inches; weight 140 pounds; smooth shaven; occupation, brakeman; speaks with a Southern accent.

Frank Hales is described as follows: Age, 30 years; height, 5 feet 10 inches; weight 135 pounds; occupation, train dispatcher.

Any member recognizing these two men as being wanted elsewhere will kindly notify the nearest office of our detective agents.

A non-member bank at Prue, Okla., was entered on October 12, 1912, by a lone robber who at the point of a gun demanded of the cashier what money was in the bank. He secured \$2,000.00 and tried to escape on a stolen horse. A farmer to whom this horse belonged recognized the horse as his property before the fellow got away, and securing a gun he shot the robber, killing him. Our detective agents have since identified the thief as Walter Jarrett, who at one time held up and robbed a Missouri Pacific train and who was an escaped convict from Oklahoma Penitentiary.

John Jones alias Chas. H. Boylan alias Daniel Roach alias Daniel Roche, who was arrested in Philadelphia, Pa., charged with passing a forged check for \$20.00 on Mr. George J. Lincoln, of the Pennsylvania Railroad Company, was found guilty on October 21, 1912, on the charge of false pretense, and was sentenced to serve not less than 15 months and not more than 16 months in the Eastern Penitentiary.

E. T. Joyce was arrested last month after defrauding a number of individuals by means of bogus cashier's checks drawn on a Cincinnati, Ohio, bank (M). So far as known no bank is included among his victims. He was arrested in Knoxville and will probably be taken to Macon, Ga., for trial.

Wong Kong, whose arrest and confession are reported in the September Journal, page 177, was acquitted by a jury at Hanford, Cal., Oct. 10, 1912. Wong Kong, assisted by Sue Ching alias Ching Kee, was charged with stealing a large sum of money from the vault of a Hanford non-member bank. Sue Ching, alias Ching Kee, is still at large.

J. J. McGovern's trial came up on October 4th at Los Angeles, Cal. The jury disagreed and the case continued until November 21st, at which time he will again be tried upon the charge of forgery committed against a bank member of that place. Journals August 1912, page 116, and September 1912, page 183.

Raymond Olsen, a San Francisco printer, was arrested by the San Francisco office of our detective agents, on Sept. 24, 1912, at the request of the California Bankers Association for a forgery committed against a San Francisco bank, which is a member of the California Bankers Association. Olsen forged the name of a prominent business firm as the endorsement to the fictitious check. On Oct. 3, 1912, Olsen was held to answer for trial in the Superior Court. His description is as follows: Nativity, Californian; age, 24 years; height, 5 feet 8 1-2 inches; weight, 145 pounds; complexion, fair; hair, light chestnut; eyes, gray; smooth shaven; occupation, printer; small mole over right corner of mouth.

Claude Russell, of Kirkland, Ill., was arrested in Chicago, Ill., October 17, 1912, after having passed a bogus check at Kankakee Ill. He is suspected of having passed bogus checks to the amount of several thousand dollars. He was returned to Kankakee, by Sheriff Sterling.

Clarence Sheftall, a notorious swindler who has operated extensively passing bogus checks on merchants and hotels, was arrested at Detroit, Mich., October 18, 1912, under the name of Milton Shaftel. He was identified by our detective agents. His picture, description and mode of operation has appeared in previous issues of this publication. See Journals October 1909, page 158; and May 1910, page 490.

The following named young men were arrested in Chicago recently for having defrauded several Chicago merchants by means of forged checks: Otto Fernandez, John O'Connor, R. C. Cost, Kerney Ballard, Walter Knox, Carl Lamb and Pell Pursley.

ARRESTED.

E. S. Armstead, alias Sam Sweeney, wanted on a charge of defrauding a bank member at Denver, Col., through the medium of a forged check, was arrested at Kansas City, Kan., by the police of that city on October 19, 1912. He awaits extradition.

A party giving the name of J. C. Breckenridge and carrying a letter of recommendation purporting to be issued by the Kansas City "Star" cashed a bogus draft in a hotel at Broken Arrow, Okla., which draft was afterwards paid by a membership bank in Kansas City, Mo. September 6, 1912, this alleged swindler was arrested in Winfield, Kansas, under the name of W. W. Walker, alias W. L. Romain, according to information received from the Kansas City office of our detective agents.

On October 1, 1912, Henry Cloeys was arrested in Detroit, Mich., by the local police at the request of our detective agents, charged with forging the name of a savings depositor of a membership bank, Duluth, Minn. Cloeys has since been returned to Duluth, and has been bound over to the Grand Jury for trial in November.

P. S. Edwards, alias F. D. Gills, who operated with Tommy Gaffney in connection with a swindle perpetrated on a bank (M) of Parma, Idaho, was arrested October 1, 1912, at Vancouver, B. C., at the instance of our detective representatives and returned to Boise, Idaho, and is now at that point awaiting trial. Gaffney's arrest is reported elsewhere in this Journal.

Harold Ewing was arrested October 21, 1912, for attempting to defraud a bank (M) of New Orleans, La., by means of a forged check using the name of one of the bank's depositors. The check was held up at the time of presentation and the depositor communicated with by telephone. He pronounced his signature a forgery. Ewing had left the bank but he was later found and followed to the house of the depositor whose name he had forged where he pleaded not to be prosecuted.

Tommy Gaffney, alias Fred McKay, alias Fred Thomas, a prize fighter of some notoriety on the Pacific Coast, to whose operations attention was directed in the October issue of the Journal, was arrested at Olympia, Washington, on October 2, 1912, at the instance of our detective representatives, a warrant having been sworn out by the bank (M) defrauded at Parma, Idaho.

A bank (M) of Arlington, Oregon, reports having cashed a forged check, payable to Fred Thomas, which was received through the mails from Centralia, Washington. Upon investigation of this case by our detective representatives a photograph of Tommy Gaffney, alias Fred McKay, was identified as being the party representing himself as Fred Thomas in

Centralia, Washington, where he had left the check with a local bank for collection. As Gaffney had been arrested at Olympia, Washington, on October 2, he was unable to call for the returns of this forged check. The bank at Arlington has stopped payment on the check which is on deposit at Centralia and will recover their money. The Oregon Bankers Association is interested in this case with the American Bankers Association.

Gaffney was assisted in his fraudulent work by a man named F. S. Edwards, whose arrest is reported elsewhere in this Journal.

A North Dakota membership bank recently suffered loss through some bogus drafts presented by one J. F. Hitchcock. Hitchcock has since been arrested by Federal authorities at Denver, Col., on a white slave charge and is awaiting trial there. A detainer has been lodged against him and he will be returned to North Dakota for trial for the fraud he perpetrated.

A Vera, Oklahoma, membership bank was entered by burglars on the morning of October 1, 1912. In attempting to blow open the safe, too much nitroglycerine was used, causing the safe to fall on its face and making it impossible for the burglars to get into it. The following morning George Hollingsworth was arrested at Tulsa. Our detective agents secured sufficient evidence and identification to hold Hollingsworth for this burglary. Warrants have been issued for two other men who were implicated with Hollingsworth.

Sidney Earl Jenkins, who defrauded a bank member in Chicago for forging his employer's signature to company checks, was arrested in Chicago on October 19, 1912, and is now awaiting trial.

W. B. Murphy was arrested October 9, 1912, through the efforts of our detective agents who learned that he was connected with the burglary of a bank (M) at Register, Ga., October 7, 1912, and he is now in jail there awaiting trial. Two other men connected with the robbery are still being sought. One is described as a small man, dark complexion, smooth shaven and wearing dark clothes; the other man is said to be a tall, slender fellow, clean shaven and wearing a raincoat and slouch hat.

Chas. G. Perry, alias Wilharn, was arrested in Lancaster, Pa., on October 25, 1912, for having defrauded two banks (Ms) in the vicinity of Lancaster, Pa., and Harrisburg, Pa., as well as several non-members. He made a full confession. He has been making Philadelphia his home for some time and was apprehended through our detective agents who sent out notices describing the criminal and his methods, one of which was received by a bank (M) in Mountsville, Pa., where he attempted to negotiate a fraudulent check and who caused his arrest. Up to the time of the preparing of this article the criminal has not had a hearing.

Members of the American Bankers Association in all parts of this country will be particularly interested to know that the notorious Emery Salyards, alias E. Southern, three times convicted forger and swindler, has again been apprehended through the efforts of our detective agents.

Prior to recent charges against Emery Salyards for forgeries upon banks, he served one term each in the Iowa, Wisconsin and South Dakota state penitentiaries. Since June 25, 1912, Salyards defrauded a Washington state bank (M) by means of a forged draft. Subsequently he was traced by our detective representatives over a considerable portion of the territory from the State of Iowa to the Pacific Coast, including an extended hunting and fishing trip in the vicinity of Lake Chelan, Washington.

Finally it was learned from a point in the State of Nebraska that Salyards was about to appear in Denver, Colorado, which he did, and was riding about that city in his \$4,000 automobile when apprehended.

Salyards was immediately placed under arrest and has since been returned to Pierce County, Washington, for trial.

Emery Salyards has a very bad record as a forger and bank swindler, and inasmuch as he has been three times convicted and sentenced on similar charges, if convicted in the State of Washington for his latest offense, he would be subject under a statute of that state to a life sentence.

Salyards also operated against a Des Moines, Bank (M) and the Iowa Bankers Association was also interested with the American Bankers Association in causing this man's apprehension. Journals, May, 1912, page 692, and August, 1912, page 115.

Charles W. Sharp, whose picture and description appear on page 32, Journal, July, 1912, and is wanted for forgeries perpetrated against bank members at Pittsburgh, Pa., and Spokane, Wash., was arrested at Baltimore, Maryland, October 25, 1912.

A bank (M) at San Francisco, Cal., reported on May 31, 1912, being defrauded through the medium of a check bearing forged endorsement; the check bore the signature of "B. R. Paige." "Paige" sent a messenger from the Merchants Exchange to the bank, with the fictitious check bearing the forged endorsement of a depositor of the bank. The bank cashed the check on the strength of the endorsement, which had been perfectly traced on the check. It was subsequently discovered that he had attempted to get money by a similar means two days before of another San Francisco bank (M). On September 7, 1912, a Frank C. Smith was arrested by the Sacramento police on two charges of forgery committed against two bank members of that city. He was shortly afterward identified by our detective agents as the same criminal who cashed the "B. R. Paige" check. Smith also uses the alias "R. B. Paige." The California Bankers Association as well as this Association is interested in this case.

Earl Snodgrass, a youth, deposited two forged checks with a bank member at Spencer, West Virginia, early in the month and drew against them. Before the forgery was discovered Snodgrass left town.

He was arrested October 26, 1912, at Santa Fe, New Mexico, by City Marshall Rafael Gomez at the request of our detective agents. He will be returned to West Virginia to stand trial.

On September 30, 1912, a man giving the name of Paul Stone, was arrested by the Sacramento, Cal., police department, as he was in the act of having printed a large number of certified checks on a New York bank (M). On October 2, 1912, a bank member at Merced, Cal., reported having been defrauded with a bogus check by a man using the name of "O. Presson." The check bore the printed name, "Rodgers-Blake & Co., Tailors, New York and Chicago." The San Francisco office of our detective agents immediately identified "Presson" by his handwriting as Paul Stone. Witnesses at Merced later corroborated this identification and a warrant was issued at Merced by the defrauded bank.

Subsequent to that case, it was discovered that Stone, using the name "O. Presson," cashed a bogus check at a Stockton, Cal., bank (M). At the same time securing an introduction from a Stockton merchant to the bank, he deposited a worthless draft for \$20,000 which was returned after his arrest, marked "no funds." Both check and draft were drawn on a New York bank (M). Stone also deposited a draft for \$1,000 with a Sacramento, Cal., bank (M). This, too, was returned after his arrest marked "no funds." This draft was made payable to "G. W. Derrick," and signed with the same name.

It has been ascertained by our detective agents that Stone, alias Presson, etc., is wanted on similar charges in Albuquerque, New Mexico and Fresno, Cal. Stone, whose true name is unknown, uses the aliases J. Hodge, I. Hodge and J. DeBarr. He poses as a representative of Rodgers-Blake & Co., of Chicago, dealers in tailors' goods. He claims to have conducted a tailoring establishment in Oklahoma City.



PAUL STONE.

His description is as follows: Nativity, Missourian; age, 30 years; height, 5 feet 6 inches; weight, 126½ pounds; complexion, medium light; hair, light chestnut; eyes, greenish blue; occupation, bookkeeper and tailor. Living with Stone in Sacramento was a woman who poses as his wife. She is believed to be his accomplice in the defrauding of banks.

On September 9, 1912, Carl Van Leckwyck, of Plymouth, Mass., presented a forged order for a considerable amount, purporting to be signed by his wife, at a bank (M) at that place, where she had an account. The money was paid to Van Leckwyck who immediately left town.

The matter was promptly investigated by our detective agents who learned from the Plymouth police that they had issued circulars and photographs of the forger, and as the result Van Leckwyck was located in Buffalo, N. Y., on October 2, 1912, and held for the arrival of the proper authorities. On October 6, 1912, Van Leckwyck was returned to Plymouth and the next day he was arraigned and released in \$1,000 bond, and further hearing of the case indefinitely postponed.

Max Vogel, alias M. V. Blau, alias J. M. Fogel, alias Klaus, alias Lazarus, alias A. L. Schiller, alias D. Plant, was arrested by the police authorities at Fort Worth, Texas, on a charge of forgery, September 12, 1912.

In March of this year a membership bank at San Diego, Cal., reported a forgery by which they were the losers. A warrant was sworn out by this member for the arrest of Vogel and has been forwarded to the authorities at Fort Worth.

REMOVED.

After having been arraigned on a charge of forgery preferred by a bank member of Charleston, West Virginia, and was being returned from the court house, George B. Fowler escaped from the custody of a deputy sheriff at Charleston. Our detective agents are engaged in an active search for him. A description of this man appears on page 36, Journal, July, 1912.

REMOVED BY COURT ACTION.

J. G. Adams who defrauded a bank (M) at Roswell, N. M., was sentenced to serve one year in the Chaves County jail dating from the day of his arrest, February 9, 1912, and paroled. Journal, December, 1911, p. 380.

Stanley A. Beadle, who defrauded a membership bank at Los Angeles, Cal., by means of a forged check, was extradited from the State of Connecticut. Upon his return to Los Angeles he pleaded guilty and on October 7, 1912, was committed to the California Insane Asylum on an insanity warrant. Journals May, 1912, page 692, and August, 1912, page 116.

Felcn Bordeaux, who was arrested by a Los Angeles representative of our detective agents, September 10, 1912, for forging a check on a bank (M) of Los Angeles, California, on October 5, 1912, pleaded guilty to this charge, and she was placed on probation for one year. The investigation which resulted in this woman's arrest and conviction was conducted in behalf of the California Bankers Association and this Association. Journal, October 1912, page 254.

John C. Byland who was arrested for forgery on complaint of a bank (M) at Burlington, Ky., was tried in April, 1912, and found not guilty. Journals, October, 1910, p. 213, and September, 1911, p. 163.

James H. Caldwell, whose daring hold-up of a bank member at Denver, Col., was reported on page 26 Journal, July, 1912, on June 26, 1912, was sentenced to serve from one to five years in the Canon City penitentiary.

Albert W. Cantor, reference to whom was made in the Journal, of December, 1911, and October, 1912, and who was arrested in Kansas City, Mo., March 4, 1912, was brought to Philadelphia, Pa., and found guilty of forgery. He was sentenced to an indefinite term in the Huntington Reformatory, Huntington, Pa.

Theodore H. E. Carter, convicted of forgery against a bank member at Boston, Mass., on March 27, 1912, was placed on probation. Journal, July, 1912, page 37.

J. W. Casteel, was convicted of a swindle perpetrated on a bank member at Muskogee, Okla., and is now under a three-years sentence. He is held in custody of the sheriff of Muskogee, pending action on an appeal. Journals, October, 1910, page 210, and February, 1912, page 497.

William Cleland, who succeeded in cashing several forged checks on a bank member in New York City and was arrested by our detective agents, was given a suspended sentence on September 27, 1912. Journal, October, 1912, page 255.

Claude Lee Curran, who was tried in Norwood, Ohio, in October, was given a year's sentence in the State Reformatory and paroled. He defrauded a bank member at Norwood. See Journals, August, 1912, page 116, and September, 1912, pages 182 and 184.

Minnie Ewing, arrested in connection with a forgery perpetrated against a bank member at Charleston, West Virginia, was discharged by Justice U. B. Atkinson of that place. Journal, July, 1912, page 36.

Richard B. French, whose picture and description appears on page 256, Journal, October, 1912, pleaded guilty on October 8, 1912, to having defrauded two membership banks in Camden, N. J., and was sentenced to serve from three to seven years in the State Prison, Trenton, N. J., on each charge separately.

Harry George, whose photograph is reproduced on page 762, Journal, June, 1912, pleaded guilty to having negotiated forged notes at a membership bank at Wellington, Kan., and received an indeterminate sentence to the penitentiary.

Palmer W. Halsey, arrested June 17, 1912, charged with defrauding a membership bank at Springfield, Ill., has been given his liberty by the court, full restitution having been made to the bank. Journals, June, 1912, page 761, and July, 1912, page 55.

P. J. Hawley, who was charged with swindling a bank (M) at Omaha, Neb., as reported in the August, 1912, Journal, page 118, pleaded guilty in court to the charge against him and was paroled.

After his guilt had been plainly shown by the evidence, William J. Jones, who secured cash for worthless checks from a bank (M) at Claremore,

Okla., pleaded guilty on October 3, 1912, and was sentenced to the State Penitentiary for a period not exceeding seven years. Journals, September, 1910, page 154, and November, 1910, page 166.

Max Kaplan, whose arrest was reported on page 101 of the Journal, August, 1911, being accused of defrauding a bank member at Brooklyn, N. Y., by means of raised checks on July 31, 1912, was discharged on a writ of habeas corpus.

On October 4, 1912, Joseph F. Leslie pleaded guilty to a charge of forgery in connection with a bank (M) at Cleveland, Ohio, and received a suspended sentence to the Ohio State Reformatory at Mansfield, Ohio. See September, 1912, Journal, page 183.

Wong Lum, whose photo was reproduced on page 116, August, 1912, Journal, on September 28, 1912, was convicted of forgery perpetrated on a bank member at San Francisco, Cal. He was given a suspended sentence and placed on probation for three years.

Loyal D. McCready, a bogus check operator who, it is alleged, defrauded a bank member at Madison, South Dakota, after making full restitution was paroled by Judge Wilbur, of Los Angeles, Cal., on July 13, 1912. McCready had been held in a reform school there on another charge. See Journal, June, 1912, page 767.

Max Marx, an amateur check forger, who operated against a bank member in Brooklyn, N. Y., and was arrested by our detective agents, has been discharged, the Grand Jury failing to indict him. Journal, October, 1912, page 256.

Stanley Miller, alias Tom Hogan, who was arrested for holding up a bank member at Harlem, Montana, has been convicted and sentenced to serve twenty years in the Montana State Penitentiary. Journals, September, 1911, page 162, and December, 1911, page 380.

The case against W. H. Moody who defrauded a membership bank at Oklahoma City, Okla., by means of a forgery, has been dismissed, he having made restitution. Journal, October, 1911, page 227.

E. M. Morris, who defrauded a bank (M) at Birmingham, Ala., by means of a forged draft, pleaded guilty on October 5, 1912, and was sentenced to 10 years in the Alabama Penitentiary. See Journal, September, 1912, p. 183.

Charles A. Nott, who victimized a bank member at Boston, Mass., by means of a forged check during the February term of the Superior Court at Boston, was convicted and placed on probation. Journal, March, 1912, page 561.

Jacon H. Nyman, a forger, whose case was reported in the March and September, 1912, Journals, pages 561 and 183, respectively, was sentenced April 5, 1912, to serve one year each on two charges in the San Quentin Penitentiary, from Oakland, Cal., the sentences to run concurrently.

Paul Reeder, whose arrest on a charge of perpetrating forgeries against a bank member at Denver, Col., was reported on page 35, Journal, July, 1912, was convicted and on September 24, 1912, was sentenced to the Colorado State Penitentiary for a term of from one to four years.

William F. Richards, arrested December 5, 1911, charged with a swindle against a bank member at Tescott, Kan., was convicted May 14, 1912, and sentenced to serve 5 years in the penitentiary. Journal, January, 1912, page 438.

Ralph W. Rosenau, forger, who operated against a bank member of Boston, Mass., was turned over to the police of Manchester, N. H., and at the May term of the Superior Court was sentenced to serve not less than three years and not more than five years in the State Penitentiary at Concord, N. H. Journal, March, 1912, page 563.

W. P. Salisbury, alias W. S. Jorring, who perpetrated a forgery on a bank member at Concordia, Kan., was sentenced to the Wyoming penitentiary for two years for passing a bogus check on a party at Cheyenne Wyo. Journal September, 1912, page 184.

Morris Schneider, arrested by our detective agents after he had passed two forged checks for small amounts drawn on a bank member in New York City, pleaded guilty on October 3, 1912, and was sentenced to serve three months in the penitentiary. Journal, October, 1912, page 256.

Aaron Shultz, who defrauded a bank member of New York City by means of forged and raised checks, made full restitution and as he was a first offender, he was allowed to plead guilty to a charge of forgery, second degree, and on October 25, 1912, was given a suspended sentence and placed on probation. Journal, May, 1912, page 696.

Mrs. Edna Sinnett, whose arrest on a charge of forgery against a bank member at Charleston, West Virginia, was reported on page 36 of the Journal, July, 1912, was discharged by Justice U. B. Atkinson.

Charged with forgery by a bank (M) of Kansas City, Mo., Andrew Stickel pleaded guilty August 23 last and was given a sentence of two years in the State Penitentiary and paroled on the same date. Journal, August, 1912.

Moe Suckno, arrested March 22, 1912, for swindling a bank member of New York City, was discharged October 25, 1912. Journal April, 1912, page 627.

H. J. Taylor, whose arrest is recorded on page 428 of the January, 1912, Journal, on May 14, 1912, was tried and convicted of a swindle against a bank member at Tescott, Kan., and was sentenced to serve five years in the penitentiary.

Joseph A. Ward, alias John A. Ward, convicted of having perpetrated a forgery on a bank member at Boston, Mass., on April 23, 1912, was sentenced to serve two years in the Massachusetts House of Correction. Journal, April, 1912, page 625.

E. E. West, charged with attempting to swindle a bank (M) at Harrisonville, Mo., was sentenced to pay a fine of \$300 and all costs of the prosecution on April 25, 1912. He paid and was released. Journals, October, 1911, page 223; February, 1912, page 501.

Edward Wilson, alias Joe Stanley, alias James J. Shannon, whose arrest was reported in the Journal of October, 1912, page 257, was tried in the Criminal Court of Cook County, Illinois, under the name of James J. Shannon, the name he used when he successfully operated with a fraudulent check on a member bank in Chicago. He was sentenced to the Illinois Penitentiary at Joliet for an indeterminate term of from one to fourteen years.

Paul Victor Zimmerman, whose arrest was recorded in the Journal of September, 1912, page 184, was convicted of having defrauded a bank member at Boston, Mass., by means of a forged check and on August 12, 1912, was sentenced to the Massachusetts Reformatory for an indefinite period.

AWAITING TRIAL, EXTRADITION OR SENTENCE, NOVEMBER 1, 1912.

ALLEGED FORGERS, ETC.

Abrahams, Isaac A., Feb. 14, 1912, arrested; forged B/L Seymour, Wis.
Adams, Charles, August 27, 1912, arrested; forgery Cleveland, O.
Aggerbeck, Anton A., August 24, 1912, arrested; forgery Milwaukee, Wis.
Anderson, Harold, August 24, 1912, arrested; forgery Milwaukee, Wis.
Armstead, E. S., October 19, 1912, arrested; forgery Denver, Col.
Bailey, Mrs. Ray, April 30, 1912, arrested; forgery Waterloo, Ia.
Bechtel, John, Jr., May 16, 1912, arrested; forgery Salmon, Idaho.
Beresford, O. J., July 9, 1912, arrested; swindle San Pedro, Cal.
Berry, J. F., January 25, 1912, arrested; swindle Kansas City, Mo.
Blasdel, C. C., July 11, 1911, arrested; swindle Perry, Okla.
Boggs, John S., March 31, 1912, arrested; forgery Shreveport, La.
Breckenridge, J. C., September 6, 1912, arrested; swindle Kansas City, Mo.
Brokaw, Eug. C., April 6, 1912, re-arrested; swindle Chicago, Ill.
Brinson, Asher, March 20, 1912, arrested; forgery New Bern, N. C.
Brodesky, Irving, May 13, 1912, arrested; forgery New York City.
Broughton, Otis, March 20, 1912, arrested; forgery New Bern, N. C.
Burtis, Otto, December, 1912, arrested; swindle Bluffton, Ind.
Bush, Tom, April 10, 1912, arrested; swindle Chauncey, Ga.

Cann, Fred, June 17, 1912, arrested; forgery Carizozo, New Mexico.
Carpenter, Frederick H., May 11, 1912, arrested; forgery Providence, R. I.
Carter, Charles, April 16, 1912, arrested; check raising Little Rock, Ark.
Casper, Charles J., August 31, 1912, arrested; forgery Steger, Ill.
Cauble, A. S., October, 1911, arrested; forgery Cairo, Ill.
Clarke, Frank C., August 30, 1912, arrested; forgery San Francisco, Cal.
Clemens, J. A., August 7, 1912, arrested; forgery Birmingham, Ala.
Cloeys, Henry, October 1, 1912, arrested; forgery Duluth, Minn.
Cohen, Morris, April 15, 1912, arrested; forgery Chicago, Ill.
Cohen, Samuel, March 15, 1912, arrested; forgery Boston, Mass.
Cole, C. E., January 15, 1912, arrested; swindle Atlanta, Ga.
Collins, T. J., September 19, 1912, arrested; swindle Helena, Ark.
Colston, Richard, December 13, 1911, arrested; swindle East Orange, N. J.
Deckard, O. W., September 16, 1911, arrested; swindle Meade, Kan.
Deihl, Fred, March 25, 1912, arrested; forgery Kokomo, Ind.
Donahue, Thomas, June 19, 1912, arrested; forgery Baltimore Md.
Downing, Joe, July 13, 1912, arrested; swindle Rushville, Neb.
Duff, Homer, August 9, 1912, arrested; swindle Huntington, W. Va.
Edwards, P. S., October 1, 1912, arrested; swindle, Parma, Idaho.

- Ewing, Harold, October 21, 1912, arrested; forgery New Orleans, La.
 Fowler, Frank W., April 30, 1912, arrested; swindle, Chicago, Ill.
 Gaffney, Tommy, October 2, 1912, arrested; forgery Parma, Idaho.
 Gay, John, March 27, 1912, arrested; forgery West Palm Beach, Fla.
 Gordon, John, September 7, 1912, arrested; forgery New York, N. Y.
 Gould, Harry, August 31, 1912, arrested; forgery New York, N. Y.
 Gray, S. H., November 12, 1910, arrested; forgery Athens, Tenn.
 Guthrie, Jacob Foy, July 8, 1912, arrested; forgery Chicago, Ill.
 Halken, Esther, May 28, 1912, arrested; forgery New York, N. Y.
 Hank, Warren, May 13, 1911, arrested; attempted swindle Wapakoneta, Ohio.
 Hargett, Frank, March 27, 1912, arrested; forgery Charlotte, N. C.
 Hilliards, Ollie, November 13, 1910, arrested; forgery West Newton, Pa.
 Hitchcock, J. F., October, 1912, arrested; swindle Sarles, N. Dak.
 Horwitz, Mortimer, July 27, 1912, arrested; forgery New York, N. Y.
 Houston, J. L., April 24, 1912, arrested; swindle Chicago, Ill.
 Hughes Lee, June 2, 1912, arrested; swindle Pryor Creek, Okla.
 Jenkins, Sidney Earl, October 19, 1912, arrested; forgery Chicago, Ill.
 Katz, Jacob, February 19, 1912, arrested; swindle Chicago, Ill.
 Kirkpatrick, H. S., June 15, 1911, arrested; forgery West Point, Ga.
 Klein, E., January 12, 1912, arrested; forgery Scranton, Pa.
 Knowles, T. L., February 29, 1912, arrested; forgery Phoenix, Ariz.
 Kutzkey, Albert M., August 23, 1911, arrested; forgery St. Johns, Ore.
 Loper, LeGrande, May 15, 1912, arrested; forgery East Hampton, N. Y.
 Luban, Jacob, August 12, 1912, arrested; forgery Newark, N. J.
 Luban, Morris, August 12, 1912, arrested; forgery Newark, N. J.
 McGovern, J. J., August 1, 1912, re-arrested; forgery Los Angeles, Cal.
 Magoon, Byron G., August 17, 1912, arrested; swindle Grants Pass, Ore.
 Meek, W. C., February 29, 1912, arrested; forgery Phoenix, Ariz.
 Meeker, Chas. M., February 6, 1912, arrested; swindle Kansas City, Mo.
 Mitchell, C. E., July 26, 1912, arrested; swindle Monroe, La.
 Morton, Chas. S., January 6, 1912, arrested; swindle Baltimore, Md.
 Muratore, Mechele, August 26, 1912, arrested; forgery Syracuse, N. Y.
 Nance, Wm., April 4, 1911, arrested; swindle Bixby, Okla.
 Nelson, C. J., April 18, 1912, arrested; forgery Birmingham, Ala.
 Newman, Ira, May 17, 1912, arrested; forgery Cairo, Ill.
 Parker, Chas., April 8, 1912, arrested; forgery Los Angeles, Cal.
 Parks, Homer, August 27, 1912, arrested; forgery Charleston, W. Va.
 Parnell, Walter, October 24, 1911, arrested; forgery Point Pleasant, N. J.
 Peoples, R. L., August 12, 1910, arrested; swindle Birmingham, Ala.
 Ferris, Dominic, September 18, 1912, arrested; attempted swindle Syracuse, N. Y.
 Perry, Chas. G., October 25, 1912, arrested; swindle Middletown, Pa.
 Perry, Robert G., May 24, 1912, arrested; swindle Chicago, Ill.
 Posey, J. E., August 10, 1911, forgery Aiken, S. C.
 Remix, F. M., April 6, 1912, arrested; forgery Akron, Ohio.
 Renk, William J., August 2, 1912, arrested; swindle Buffalo, N. Y.
 Rittenhouse, George W., September 14, 1912, arrested; forgery Newark, N. J.
 Rolleyson, Frank, July 30, 1912, arrested; forgery Huntington, W. Va.
 Rogers, C. R., August, 1912, arrested; forgery Cordele, Ga.; awaiting trial.
 Ross, James M., May 11, 1912, arrested; forgery Lauderdale, Miss.
 Salyards, Emery, October 13, 1912, arrested; forgery, Tacoma, Wash.
 Sawey, T. B., August 18, 1912, arrested; attempted swindle Jersey City, N. J.
 Schreiber, Herbert E., August 2, 1912, arrested; swindle Denver, Colo.
 Shaffer, Harry E., July 18, 1912, arrested; forgery Berkeley, Cal.
 Sharp, Charles W., October 25, 1912, arrested; forgery Pittsburgh, Pa.
 Shivers, Vernon F., December 21, 1911, arrested; forgery Lake Providence, La.
 Smedley, W. E., September 15, 1912, arrested; forgery Des Moines, Ia.
 Smith, Frank C., September 7, 1912, arrested; forgery Sacramento, Cal.
 Smith, Philip J., September 14, 1912, arrested; forgery Jamaica L. I., N. Y.
 Snodgrass, Earl, October 26, 1912, arrested; forgery Spencer, W. Va.
 Spangle, A., July 25, 1912, arrested; swindle Nowata, Okla.
 Stone, Paul, September 30, 1912, arrested; swindle Merced Cal.
 Sutton, Wm. L., February 21, 1912, arrested; swindle Chicago, Ill.
 Switzer, Claude, April 23, 1912, arrested; forgery Los Angeles, Cal.
 Thompson, Ernest, August 26, 1912, arrested; forgery Springfield, Mo.
 Thorpe, John Harris, June 18, 1912, arrested; swindle San Francisco, Cal.
 Van Leckwyck, October 2, 1912, arrested; forgery Plymouth, Mass.
 Vogel, Max, September 12, 1912, arrested; forgery San Diego, Cal.
 Warren, Carlton, April 19, 1912, arrested; swindle Chauncey, Ga.
 Waters, Joseph, June 18, 1912, arrested; forgery Baltimore, Md.
 Wehner, F., October 24, 1911, arrested; swindle Ridgefield Park, N. J.
 Well, Maechel, February 17, 1912, arrested; swindle Chicago, Ill.
 West, Henry, May 19, 1911, arrested; forgery Yuma, Ariz.
 Wiggins, S. A., Jr., July 25, 1912, arrested; forgery Chicago, Ill.
 Willis, Karl J., July 4, 1912, arrested; swindle Anaheim, Cal.
- BURGLARS.**
 Hollingsworth, George, October 2, 1912, arrested; burglary Vera, Oklahoma.
 Lennard, George, September 24, 1912, arrested; burglary White Rock, S. Dak.
 Morris, Frank, May 9, 1911, arrested; attempted burglary Layton, Utah.
 Murphy, W. B., October 9, 1912, arrested; burglary Register, Ga.

STATISTICS OF THE WORK OF THE PROTECTIVE DEPARTMENT. AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE.

From September 1, 1912, to October 31, 1912.

New York, N. Y., November 1, 1912.

Persons: arrested, discharged, convicted, sentenced, awaiting trial, etc.

	Awaiting trial, etc. September 1, 1912.	Arrests from Sept. 1, 1912, to Sept. 30, 1912.	Arrests in October, 1912.	Total.	Convicted.	Discharged or Acquitted.	Escaped or Fugitives.	Insane, Suicide or Died.	Awaiting Trial.
Forgers	122	23	16	39	37	10	1	1	112
Burglars	1	1	2	3	..	..	..	..	4
Hold-up robbers	2	..	..	..	2	..	..	..	..
	125	24	18	42	39	10	1	1	116

DOCUMENTS FOR DISTRIBUTION.

THE Association has on hand a quantity of printed matter. The list comprises the following documents, any of which will be sent to our members on notifying the office:

Bills of Lading.

New Uniform Bills of Lading.

Constitutionality of Proposed Act (H. R. 14934).

Pennsylvania Speech—L. E. Pierson.

Little Rock, Arkansas, Speech—Thomas B. Paton.

Jamestown, Virginia, Speech—Thomas B. Paton.

Oklahoma Speech—Evans Woollen.

Report of Committee to 1908 Convention at Denver, with Appendices.

Report of Committee to 1909 Convention at Chicago, with Appendices.

Report of Committee to 1910 Convention at Los Angeles, with Appendices.

Proceedings of Joint Conference between bankers, carriers, shippers, etc., held at Chicago, September, 1909.

Currency.

Report of the Currency Commission of the American Bankers Association, 1907.

Report of Currency Commission of American Bankers Association, made at a meeting held at Chicago, Saturday, January 18, 1908.

Statement of Currency Commission of American Bankers Association presented to House Committee on Banking and Currency, at Washington, D. C., Wednesday, April 15, 1908.

Credit Currency. By Elmer H. Youngman, Editor "Bankers Magazine."

Address of Hon. Charles N. Fowler, Chairman Committee on Banking and Currency, on the Financial Situation, before the Illinois Manufacturers' Association, at Chicago, December 10, 1907.

Report of Committee on Banking and Currency on the "Issue and Redemption of National Bank Guaranteed Credit Notes," Fifty-ninth Congress, Second Session, 1906-7.

Suggested Plan for Monetary Legislation, submitted to the National Monetary Commission—By Hon. Nelson W. Aldrich, as revised by the Currency Commission of the American Bankers' Association.

Miscellaneous.

Guaranty of National Bank Deposits. By James B. Forgan, President First National Bank, Chicago, Ill., before the annual meeting of Group Two of the Bankers Association of the State of Illinois, held at Peoria, June 11, 1908.

General form of Articles of Association to be used in the organization of Clearing House Associations in the smaller cities and towns.

Report of Special Committee, Trust Company Section, September 13, 1904, on the Classification of Legal Decisions relating to Safe Deposit Companies. Rules and forms.

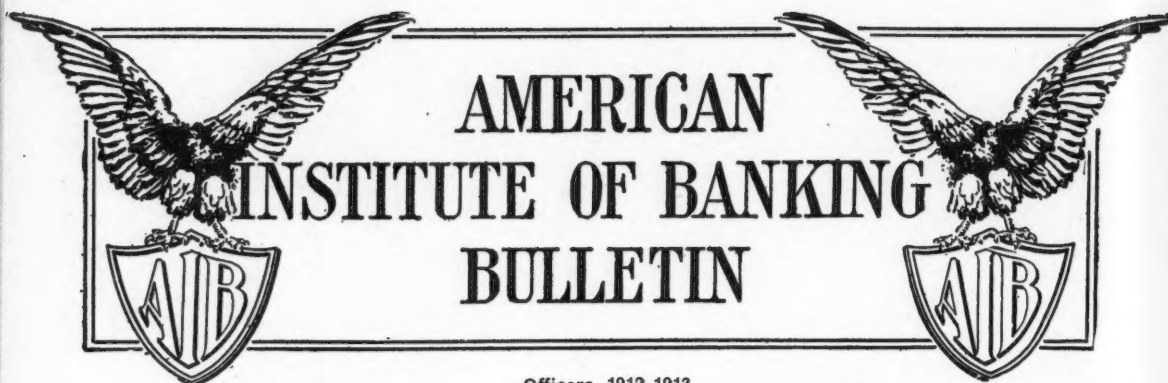
Address by Jordan J. Rollins before the Trust Company Section, September 14, 1905, on "The Protection of Trust Companies Acting as Transfer Agents and Registrars."

Twentieth Century Commerce and its Regulation by Fred. I. Kent.

THE Association has on hand a limited number of its publications in excess of its requirements, and will be pleased to mail any of these documents, free of charge, to such of its members as may desire them. These requests will be filled in the order of application, until the exhaustion of the supply.

Many of the books are bound in three-quarter leather and contain valuable addresses and reports.

The Annual Proceedings of the following Sections may be secured: Trust Company Section, years 1900, 1903, and 1908; Savings Bank Section, years 1904, 1907, 1908, and 1909.



Officers, 1912-1913.

CHAIRMAN EXECUTIVE COUNCIL:

F. A. CRANDALL, Vice-President National City Bank,
Chicago, Ill.

PRESIDENT:

BYRON W. MOSER, St. Louis Union Trust Co., St. Louis.

VICE-PRESIDENT:

H. V. HAYNES, Riggs National Bank, Washington, D. C.

SECRETARY:

H. S. SMALE, Continental and Commercial National Bank,
Chicago, Ill.

TREASURER:

I. L. BOURGEOIS, Hibernia Bk. & Trust Co., New Orleans.

EDUCATIONAL DIRECTOR:

GEORGE E. ALLEN, 5 Nassau Street, New York City.

THE OLD WEST AND THE NEW.

By Hon. Duncan McKinley of California—Address at the Salt Lake City Convention of the American Institute of Banking—Distribution of National Population—Reclamation and Development by the National Government and Various States—Conservation and Irrigation—Influence of the Panama Canal.

A SUCCESSFUL career in life is the desideratum of every normal-minded young American, and the ways and means by which such a career shall be pursued and achieved must give such a one more concern than almost any other subject at the beginning of the race. When a young man leaves his home, his school, his college, or his university, and finds himself separated from parental authority, he soon begins to realize that he is an independent factor in his country's organization, and naturally he feels the responsibility of individuality and citizenship resting upon him. Consequently the ways and means by which he shall meet the responsibilities of his individuality becomes a dominant question.

First he must consider his career in life, and fortunate is the young man who by reason of favorable influences, has a choice in the selection of his own career. Many millions of our boys and young men, because of poverty and necessity, are forced into trades, professions and avocations for which they are not fitted. But even under such limitations some choice is still at the disposal of almost every young American, and that is one of the great advantages of American citizenship.

The locality in which the career of a young man shall be pursued sometimes has much to do with his successful achievements. It is very natural for a young man setting out in life to desire to leave the environment and the sphere of action of his father and his family. Of course, some well-established

business and professions are better carried on by the descendants of their founders than they could be by strangers, but the general rule is that the young man of the family, like the young eagles of the mountains, desire to pinion their flights independent of the influences and restrictions of their fathers.

And perhaps it is because of this natural tendency that the management of this convention decided to have its members addressed on the subject of "The Old West and the New." Of course, I realize my incompetency to fulfill in the most desirable way the requirements of the task imposed on me. My only excuse for accepting the invitation to address this convention upon this important subject is that I have been a resident of the Pacific Slope for about thirty years, having gone there as a young man, and during the years between then and now I have experienced a great many of the phases of development of the land lying between the Rocky Mountains and the shores of the Pacific Ocean.

"The Old West and the New!" The term "west" is a relative term, but there have always been connected with the progress of mankind westward great movements in business and commerce and trade, in the arts and manufactures, that have meant nation building and the expansion of civilization. We are told by the historians of the world that away back in the twilight zone of history the human race first appeared on the table-lands of northern Asia. From that part of the earth, like a great fountain, humanity began to distribute itself in different directions over the world. Those streams of humanity that flowed toward the coasts of Asia and peopled the lands we now know as China, India, Japan and Persia, and many others that have long since been obliterated by time and changes, evolved a splendid civilization long before the civilization of the west was dreamed of.

In many of those countries society and government reached a certain high degree of perfection and then slowly and gradually congealed under the influences of rigid customs, severe laws, and intolerant religions, into a state of torpor in which many of them have been swallowed up and forgotten, and others have been held for hundreds of centuries, and from which today they are just beginning to emerge.

On the contrary, those streams of the human race which flowed down through Europe and northern Asia and founded the nations of Phoenicia, and Egypt, and Greece, and Rome, Western Europe, Northern Europe, and the Isles of Britain, seemed to have strength and hardihood and enterprise not possessed by the peoples who traveled toward the East. These restless, warlike, enterprising spirits developed and brought forth the powerful nations of today, and have given truth to the axiom, "Westward the star of empire takes its way."

It was the call of the West that inspired the brain and nerved the heart of Columbus to organize and command his first expedition across the watery wastes of the Atlantic in search of a shorter water passage to the Asiatic coasts than that which was being followed by the navigators of his time around the Cape of Good Hope. It was the call of the West that brought in the train of Columbus the hardy conquistadores of Spain, who pushed their explorations and conquests up and down the coasts of Central and South America, founding towns and cities, building ports and roads, in the early days of the sixteenth century. It was the call of the West that lured the Cabots from the shores of England and made them the discoverers of the bleak coasts of Labrador, and New Foundland, and Nova Scotia. It was the call of the West that inspired the Pilgrim fathers with hope and faith and confidence that they might escape from the prosecutions and the intolerance of old-world customs, laws and creeds, and establish a new civilization of the Western Hemisphere. It was that splendid, restless, warlike, conquering spirit that laid the foundations of the American Republic and gave it power and strength to achieve independence and give the world a nation in which justice in taxation, equality before the law, tolerance in religion, and equal opportunity should be the birthright of every citizen.

One of the most interesting phases of the development of the American nation is that in regard to the distribution of the nation's population, beginning after the war of 1812 and continuing up till the discovery of gold in California in 1848. In those years the streams of immigration pushed rapidly toward the West along three main lines of travel; that to the North pursuing a course through New York along the Hudson and through the Mohawk Valley, and thence on into Canadian territory and Michigan; the central stream passing through Ohio and Pennsylvania, through the territories which we now know as the States of Indiana and Illinois; and the southern stream penetrating from Virginia southward through Kentucky and Tennessee, Alabama and the Floridas, to the Mississippi. In a general way the settlement of the United States was not very great beyond the Mississippi River before the year 1850, and the vast regions of country that are now embraced within the confines of the Mountain and the Pacific Coast States

were a terra incognita to the majority of the inhabitants of the United States proper.

The discoveries of gold in California and Oregon and other parts of the Mountain and Pacific Coast States, commencing about the middle of the last century, stimulated the tides of immigration toward the Far West of the Republic, and long lines of immigrant trains were soon pursuing various trails westward from the cities bordering the eastern banks of the Mississippi. These trains took many directions, the most popular, however, being the so-called Santa Fe and Oregon trails. It was over these roads that our immediate fathers, the so-called argonauts or pioneers of the western coast, pressed their conquering way. It was along these roads that they first began to secure properties and rights that in after time became very valuable. So great were the opportunities of these early pioneers that we, their descendants, are apt to look upon those opportunities as being much greater than those which the West can offer to the young man of today. But this is to a great extent a mistake. The chances for the acquirement of natural wealth such as large tracts of land, valuable timber stretches, deposits of mineral wealth, and water powers, no doubt were very many to those who first traversed the plains and valleys and table-lands lying between the Mississippi River and the Pacific Coast; but nevertheless a part of the price which the pioneer paid must be estimated in the hardship, the privation, and the isolation which he was called upon to endure.

Pioneering in the United States has also had a relative meaning ever since the first tides of population began to press beyond the confines of the original thirteen states. In the memories of men yet living, Rochester and Buffalo, in the State of New York, bordered upon the wilderness and savagery; and when hardy pioneers pushed on to Michigan and Indiana they were thought to be extremely venturesome and foolish. But the rich prairie lands of Illinois and Iowa and the Dakotas soon lured land and home-seekers across the plains of Illinois, over the Mississippi, and into the great stretches of fertile country lying between that river and the Missouri.

The policy of the American Government from the very first has always been to give special inducements to immigration toward the West. The enormous area of American territory secured in the Louisiana purchase, the acquisition of Florida, and under the treaty of Guadalupe, by which California, Arizona and New Mexico were acquired from Mexico, seemed to secure to the American people almost boundless opportunity for expansion; and probably for this reason the policy of the Government in regard to parting with the public lands and other natural resources of the country to the citizen has always been liberal to the point of extreme carelessness. The lands of the western reserve in Ohio were sold to individuals and companies as low as one dollar an acre, and the records show that companies bought lands in Pennsylvania in the vicinity of Pittsburgh for the same price. The farms of Illinois and Iowa now worth \$300 and \$400 an acre were acquired by the first settlers as low as \$1.25 and \$2.50 an acre. It was easy for hardy, adventurous men to acquire land and natural resources which in time became the basis of large fortunes.

In 1850 Congress passed a law under the terms of which the swamp and overflow lands of the various states were ceded to the states in which they were situated, the idea being to induce their reclamation and development by the state governments. But instead of the states reclaiming the lands, they parted with them at very low prices to purchasers, and this furnished another reason for the low value placed upon the natural resources of the country which prevailed for many years. The original code of laws under which timber tracts were acquired, and mineral deposits and water powers secured, were loosely and carelessly drawn and extremely lax in their provisions. The transcontinental railroads which first penetrated the country to the Pacific Coast were favored by large grants of wonderfully fertile lands in consideration of their enterprise in building their railroad over uninhabited territory.

These careless laws and low values placed upon the lands and resources of the country, while evil in a way, no doubt were at the same time very effective in stimulating immigration and in inducing the hardy and adventurous to push out from the thickly settled portions of the country into remoter parts of the nation towards the West; and it was out of this looseness and laxity of the land laws, and the general contempt with which even the Government itself seemed to hold the public domain that a great deal of the present fraud in the acquirement of the public domain originated. It became very common for the settler to try to extend his holdings by various fraudulent means, such as by making dummy entries and fraudulent affidavits in regard to time of occupancy, and the making of surveys in these ways. When the lands and timber of the West became valuable, large corporations secured tremendous holdings contrary to law.

It was under conditions such as these that the territories which afterwards became the States of Minnesota, the Dakotas, Montana, Idaho, Kansas, Nebraska, Arizona, New Mexico, and the states of the Pacific Coast, were covered over with a thin layer of population. As population extended over these new states and territories and competition became keen for public lands because of their rising value; for the timber stretches because of the increasing demand for lumber; for the water powers because of the fact that population flowing westward was gradually building up towns and cities in which hydro-electric energy would be required for light and heat and power, the Federal Government began to take greater interest in the remaining public domain. Wise and prophetic statesmen began to see that the day of looseness and carelessness and laxity in the methods by which the public domain was transferred from the Government to the individual was passed, and that new methods must be devised by which monopolization of the resources of the country must be prevented, and under the operation of which opportunities must be fairly and equitably offered to the home-seeker, the miner, and the business man who desired to avail themselves of the opportunities offered by the Government.

It was in this spirit that the first reclamation law of the United States was passed in 1902, and with the passage of this law it may be said that the days of the old pioneers and the argonauts of America se-

cured their valuable holdings were changed and new conditions created. It is true, the old pioneer who pushed away out fifty years ahead of the population of the country, when he found the locality in which he elected to halt his march and erect his roof tree, was able to acquire the whole face of the landscape surrounding him. It was no trouble to acquire thousands of acres of land, or valuable mineral deposits, or to secure water powers. All he had to do was to use reasonable intelligence coupled with a little capital, and the acquirement was easy. But after all, when he had secured these valuable natural resources, he was little better off, because their use and the profit which must come from them was still away in the dim future; and in many cases those who first secured these rights were compelled to wait thirty or forty years before they became really valuable. They could not become valuable until population and demand caught up with them. But by the year 1900, it may be said in a general way, about all the territories of the West excepting Oklahoma, Indian Territory, Arizona and New Mexico, had been incorporated into state organizations, and new conditions, under which opportunities for immigration were given, began rapidly to evolve. The young man of today is apt to look back to that period of time and imagine that the opportunities of his father were much greater than those which now are open to him; but a careful consideration of the new conditions that are being created by federal and state government assistance must show him that under these new conditions even greater opportunities now exist than the pioneers enjoyed, when all the elements of comfort, safety and well-being are taken into consideration.

Since the opening of the twentieth century the policy of the United States Government in regard to its public lands has become almost the complete antithesis of that followed through all the previous years of its history. Instead of extreme liberality, the policy now seems to be to hold in Government ownership as closely as possible all the remaining public domain. This policy is expressed in the general term of "conservation." Now conservation, of course has its enemies and has its friends. The ideas of certain of the extreme conservationists are not acceded to by many well-posted, deep-thinking citizens of the western territory. This may be because of the fact that practically all of the public domain east of the Missouri River has long since passed from the Government into private ownership, and what public domain still remains lies in the states west of the Missouri, principally in the inter-mountain and Pacific Coast states. In California about one-fourth of the territorial area is still in the ownership of the Federal Government, and about the same proportion in the States of Arizona, New Mexico, Idaho, Montana, Utah, Washington and Oregon, and all of Alaska, containing about 365,000 square miles, is still the property of Uncle Sam.

Naturally, the inhabitants of the states in which much of the public domain still remains are anxious to increase their population and develop their resources, and so are in favor of a liberal policy if such a one can be pursued which will eliminate fraud and guard the Government against parting with its lands to monopolistic corporations and large capitalists, who

would hold them for increase of value rather than proceed with their development. Without question, the West is thoroughly in favor of conservation, but it hardly accedes to the extreme narrowness of the views of many eastern conservationists, who would practically hold the public domain of the West in the form of a governmental estate, on which they would rent out pastures, lease the oil and mineral lands, market the timber when ripe, and lease out on contract terms the water powers of the mountains.

From this policy, no doubt, a great amount of revenue would accrue, which would be used, according to the views of the eastern conservationists, for the development of the country as a whole rather than for the improvement of the particular states in which the revenues originated. These conflicting views in regard to the practice and the effect of conservation will no doubt be harmonized very soon, as it is one of the subjects upon which the deepest consideration of the leading statesmen of the nation is now being exercised; and within a reasonably short period of time Congress will pass laws which will contain equitable provisions, so that the extreme views of the eastern and the western conservationists will be harmonized.

In regard to oil lands, the policy of conservation contemplates that a prospector who discovers oil land upon the public domain shall proceed to develop his prospect to such an extent that there may be certainty as to the quantity of the product, and then purchase or lease the land from the Government at an equitable figure fixed by a conservation board. This will prevent great companies securing immense tracts of land and holding them for speculative values. It will give opportunity for thousands of individuals to operate in oil in territories from which they were excluded under the old system. In regard to coal and mineral lands the same policy is proposed, which means practically a leasing system, which is now before Congress in the form of various bills.

A great deal of consideration is now being given by the Government to the formulation of a new system under which timber lands shall be handled in the future. The general consensus of opinion is against the absolute alienation of the lands by the Government, as was the former practice. The viciousness of the present land system is that the Government, in the disposal of its timber to the purchaser, conveys the title to the land at the same time; and very often the purchasers, in order to more easily and cheaply cut and market the timber, destroy all the young trees and vegetation of every kind in order to clear the ground, so that their work of timber cutting may be less impeded by the natural growth of the forests. Of course, this means the absolute devastation of the lands which are being timbered. This system of cutting timber has had the effect of destroying the natural agencies for the holding of snow and ice through the winter, and the result is that when the warm sun of the spring falls upon the exposed places the snow and ice is melted too rapidly and is not held in reserve; consequently for a few months the rivers and streams are surcharged with water which causes great damage in overflow. Then when the spring is past and the mountain snows are gone, the rivers dry up and become almost useless either from the standpoint of navigation or irrigation.

Conservationists claim that much of the impairment of the natural water courses of the country could be improved by the reforestation of the great stretches of hill lands from which timber has been removed. The proposed system that seems to be meeting with the most favor is that the Government shall hold the title to the land and sell the timber itself when properly developed to the purchaser for so much per thousand stumpage value, the Government forester marking only the trees that may be cut and removed, and strict regulations fixed against injury to smaller trees and the general vegetation of the land by the removal of the timber. This plan would give the Government the value of the timber which was ripe for cutting, and at the same time leave the lands themselves in the form of a national forest, which in time would produce another crop. This method without doubt would have a tendency toward building up new industries and give employment to large numbers of laborers in their development.

Reclamation, too, is beginning to be a great feature of western development, but the reclamation of lands, in a strict sense of the word, is as yet confined to private enterprise, or to that which is being conducted by the state governments. Reclamation means the drainage of swamp and overflowed lands, the building of dikes for the prevention of the inflow of waters from the seas and rivers, and in a general way the recovery of lands that are useless at the present time because of adverse conditions. This feature of western development will do very much toward the extension of the cultivated area of many of the states. This is particularly so in California, for in that state two great valleys, the Sacramento and the San Joaquin, penetrate from the Bay of San Francisco far into the interior. These valleys, drained by the Sacramento and San Joaquin Rivers, in the springtime are overflowed to an enormous extent, and the so-called "tule lands," because of the waters, are at the present time practically valueless; but reclamation projects, both public and private, are under way for the reclamation of vast areas of these lands. It is estimated that reclamation alone will bring into profitable use over one million of acres in the Sacramento and the San Joaquin Valleys. When this is done, the Sacramento Valley will have a larger area of productive alluvial soil than has Egypt, which country at the present time sustains a population of over seven millions of people. Many areas in which reclamation may be profitably worked out are to be found in the states of the Pacific Coast.

Irrigation, however, is the great agency now coming into use by which boundless areas of heretofore unproductive and uncultivated land shall be placed under cultivation, and on this subject Congress has legislated very wisely, the idea being to turn large tracts of arid and semi-arid land, now absolutely worthless, into productive holdings, both public and private. In 1902 Congress passed what was called the "Reclamation Law." This law provided that the proceeds of the sale of the Federal public lands in the Western States be placed in a separate fund, to be used for the purpose of reclaiming arid lands where the title is still in the Government. It was provided that the allotments from this fund should be made at the discretion of the Secretary of the Interior, who

would act on the recommendations of the engineers of the reclamation service. Although this law has only been ten years upon the statute books, already over sixty-one millions of dollars has been accumulated in the fund. This satisfactory result of the law has encouraged the reclamation service to commence work on a series of dams, canals and ditches for the reclamation of a large area of arid lands. The projects under way at the present time, when finished, will cost over 138 millions of dollars. The object of the law is to provide water for lands that would otherwise be worthless, the proportional amount of the cost to be assessed against the land and to be added to the price that will be charged the settler on taking it up from the Government.

It has been found from experience that about \$45 an acre will cover all the expenses of dam construction and water distribution under the Government reclamation system. The purchaser of the Government land must pay the original price of the land, usually \$2.50 an acre, and the cost of water added, about \$45 an acre. The payments are to be made in ten yearly installments, without interest, thus giving the settler a good opportunity to build up his homestead and at the same time clear his land from debt. The money when paid back to the Government goes into the reclamation fund, to be used there again for other projects. In this way a revolving fund is created, which it is hoped will be used many times over in the reclamation of arid lands.

To some of the best thinkers of the country the reclamation law of 1902 is the most important piece of legislation that has been placed upon the statute books of the nation within half a century. It is a new departure in that it makes the Government a partner of the purchaser of lands, and establishes a system of co-operation for land reclamation and development.

The significance of this policy of the Federal Government may be realized when we take into consideration the density of population of the various countries of the world. For example, Belgium, which is the most densely populated country in the world, has 643 persons to the square mile; Great Britain, 364; the Netherlands, 451; France, 189; Germany, 299; China, 76; Japan, 336; while the United States proper has less than 30 people to the square mile, and that means taking into consideration the densely populated states of the eastern seaboard, as well as the large cities. If we would consider only that portion of the United States west of the Missouri River, which contains a greater territorial area than the eastern seaboard, we find about six people to the square mile, while the Dominion of Canada to the north has less than two people to the square mile. The consideration of these figures shows that the western half of the United States and Canada are still far from being over-populated, and that there is still plenty of room and boundless opportunity for the young man in the Western States.

In the United States 13½ millions of acres, or more than the entire irrigated area of Europe, have already been brought under irrigation, but most of this area has been placed under private irrigation systems. Under the workings of the law of 1902, by 1910 thirty-four projects had been approved by the Secretary of the Interior, serving an area of about

3,100,000 acres. The estimated cost of the works is \$138,294,000, and the cost per acre about \$45. Of this amount, up to December 31, 1910, \$61,294,000 had been expended. The area supplied with water in 1910 by the Government systems was 535,335 acres, and the area for which water was available was 876,684 acres. It is shown by the records of the Government that there are still 500 millions of acres of public lands as yet undisposed of, and this means the revenue from the reclamation law must in time amount to an enormous sum and consequently be the means of irrigating a tremendous area of territory.

So favorably inclined has Congress grown to the systems of irrigation now under construction that in 1910, in order to hasten the work on several large projects then partially completed, twenty millions of dollars of bonds were authorized to be issued and sold for the completion of the works then under way, a board of engineers to decide as to which should be completed first. The area that may be irrigated from prospective sites amounts to over 45,000,000 acres of land, and most of this is in the Western States of America.

The significance of irrigation in regard to density of population becomes apparent when we consider that the five million acres of land in Egypt support over seven millions of people, or nearly 900 to the square mile. Many irrigated tracts of Italy have over 800 people to the square mile in population, while some of the tracts in India have a density of population of 1,200 to the square mile. We see the same tendency toward density of population already manifesting itself on those sections of land that are under irrigation in the Western States, particularly in Imperial Valley, California, which section of the country a few years ago was nothing but a dry, sandy plain, many feet below the sea-level, but which, under a system of irrigation promoted by a private company, has already become one of the garden spots of the earth. The land for 100 miles below the Roosevelt dam in Arizona is rapidly being placed under intense cultivation, 10 and 20-acre tracts being deemed sufficient for the holding of an individual; and thus in Arizona, a territory for many years considered absolutely arid, we may look for a great population in the near future.

The fact of the matter is that perhaps no territorial area in all the world offers the peculiar advantages in irrigation that are offered in the intermountain and Pacific Coast states. In the first place throughout the vast region the rainfall and snowfall of the winter is very abundant. Secondly, the formation of the mountains is such that reservoirs are easily constructed, the mountains being intersected with many canons, so it only becomes necessary to wall up one end of the canon and a natural reservoir cite is constructed. Besides this, the mountains are high, and the waters may be held at a high enough altitude to give them plenty of fall to cover the lands sought to be irrigated. In the third place, the sun is hot early in the year, and the snow and ice are melted into water in the early months of the spring. And in the fourth place, the tremendous extent of extremely fertile land spreading out from the base of the mountains gives the area which is to be covered.

If the rule that density of population follows irrigation holds good in America as it does in Egypt, Italy, Ceylon, India, and other parts of the world (and there is no reason why it should not), then it does not require the gift of prophecy to foretell that in time the irrigated districts of the Western States of America will be among the most densely populated portions of the world. Through the influence of reclamation, irrigation, and the general conservation of the natural wealth of the country—the great factors of progress and development, those who are studying the development of the West believe that the opportunities offered the young man today are far greater than those that were enjoyed by the first settlers of the western land; and that the advice given by Horace Greeley to young men, fifty years ago, to "Go west and grow with the country," is just as significant today as it was when he advised the young men of New York to travel west as far as Iowa and grow up with that part of the West, now classed as one of the Middle States.

But what the West needs more than anything else to assist in its development and progress is labor—the right kind of labor—honest, determined, and enterprising labor. If the young men of the East will come west today in the same spirit as their fathers came, with a resolution and determination to overcome natural obstacles, give years of hard work to home building and to business enterprises, they will find the opportunities of western America in the present hour greater than ever before in all the history of the country. But too much emphasis cannot be placed upon the kind of immigration that should migrate to the West today. The opening up and the development of lands is naturally causing the building up of cities and towns; the construction of electric lines of railroad in all directions which may be operated cheaply because of the great abundance of hydro-electric power generated by the waterfalls of the mountains; the building of good roads systems by the various states; and other agencies, are giving promise of employment not only to agriculturists, but to business and professional men of every kind. And to supplement the advantages arising out of this recent development of the West is the growing importance of the Pacific Coast for a commercial and maritime standpoint. Through all the centuries of time up till today the Pacific Ocean has been in a sense an isolated sea, isolated at least by short water routes from the great centers of population of Europe and eastern America. But the opening of the Panama Canal will unlock the door and bring San Francisco 6,000 miles closer to Europe and 9,000 miles closer to the eastern seaboard than it is at present. This means the cheapening of rates of transportation, and an outlet for the tide of products and commodities of various kinds that will find their way from the interior to the Pacific seaboard for shipment to all parts of the world.

What is the "Old West" and what the "New?" With the rapidly shifting center of population in the United States caused by the drifting of great masses of the people westward, the line of demarkation between the old west and the new is changing every hour, and every movement is toward the setting sun. The annexation of the Hawaiian Islands in 1898 permanently fixed the status of that group as Ameri-

can territory forever, and the occupancy of the Philippine archipelago swept the sovereignty of the American Republic seven thousand miles westward beyond the Golden Gate into the very time-crusted bosom of old Asia. The organization of the Hawaiian and the Philippine Islands in accordance with American principles of government, and the establishment there of the institutions, liberties and opportunities secured by the founders of the American Republic to American citizens has merged the "West" of America into the Far East. The conquering, aggressive, dominant spirit of the West, having circumnavigated three-quarters of the globe, is already beginning to reincarnate and revivify the frozen civilizations of by-gone ages.

When one stands upon the pinnacle of the present hour and looks backward over the last thirty years of western development, one is filled with amazement that so much progress could be made in such a short period of time. In such a retrospection one sees the valleys and table-lands of western America, which only yesterday were the grazing grounds of great herds of buffaloes and antelopes, rapidly changed into vast stretches of cultivated fields of wheat, alfalfa and corn. He sees the warlike tribes of Indians pushed from their hunting grounds and reservations, gradually fading into the shadows of the things that were. He beholds the rocky and mountainous districts, once the home of the grizzly bear and the mountain goat, turned into the pastures of multitudes of sheep and countless cattle; the old placer mines of the argonaut abandoned, and instead he hears over the valleys and streams and hillsides the reverberations of the steam whistle and the roar of the pounding stamp mills. He sees the primitive saw-mill in the heart of the primeval forest transformed into the great factory in which almost every product that can be manufactured of wood is produced for the markets of the world. He beholds on every side intense activity developing, and the rush of aggressive industry. Everywhere he sees great cities springing into existence and becoming commercial centers of importance within a decade, and even the mighty convulsions of nature set at naught by the enterprise of the dominant, forceful men of the West, as a new city rises out of the smoke and vapors of an earthquake shock and a disastrous fire with such energy and splendor as to become the wonder and admiration of the world. Within the last few years railroad lines have penetrated to remote and hitherto inaccessible districts of the various states, building up towns and cities and connecting them with general tides of trade and industry. The waterfalls of the mountains are being harnessed so effectively that the cheapest kind of power known to industry can be furnished for the promotion of manufactures, for the lighting of cities, and for the transportation of products.

And yet, with all this marvelous development within the last thirty years which is apparent throughout the West, from Alaska to Mexico, it may be said with truth that the foundation stones of future and permanent power and strength of civilization have just been laid. Today the center of population of the United States is considered to be somewhat near the center of the State of Illinois; but the cen-

ter of the territorial area of the United States of America continent, when we take into consideration the territory and island of Alaska, is 100 miles westward beyond the coastline of the Pacific. Only a few years ago the greatest difficulty experienced by the producer and the farmer of the Pacific Coast was the difficulty in marketing his product. The country being sparsely settled and lines of traffic few, if his production was great, a large portion of his product must be sent to the eastern markets. The rates of freight over the transcontinental railroads being necessarily very high, it was sometimes impossible to market the bulky products at a profit. But even this obstacle to the development of the western country is being removed, in a large measure, in the opening of the Pacific Ocean by the construction of the Panama Canal. Lines of railroad, both steam and electric, in almost every state across the Great Divide and bordering upon the Pacific are being constructed, so that the products of the farms, the orchards, and the fields, which are being cultivated everywhere, may be taken to the seaboard and from there transhipped to the markets of the eastern states and Europe. The opening of the Panama Canal, taken in conjunction with the development of the Mississippi River and its tributaries to the navigable capacity for ocean-going vessels will, without question, stimulate every form of western industry by reason of the cheapening of freights, and with this cheapening of freights must come greater profit to the producers, and less cost to the consumers of the necessities of life.

The next step forward must be the serious consideration by the people and the Congress of the United States of measures that shall result in the restoration of the American merchant marine. The imports of the United States today amount to over one billion two hundred million dollars annually, while the exports amount to nearly two billions of dollars, nearly one-half of which is food and raw material for other nations. This vast volume of foreign trade, amounting to over three billions of dollars, is today carried across the seas in foreign vessels; only six vessels today on all the seas of the world ply between the ports of the United States and foreign nations carrying the American flag; while for the carrying of freight on the vast volume of American imports and exports, the people of the United States pay annually over three hundred millions of dollars. It is the policy of the best thinkers of the country of today, both of the East and the West, to give governmental assistance in some manner to American steamship companies, so that at least a reasonable share of the vast profits of the ocean-carrying business shall be saved by the people of our own land, to the end that our industries may remain active, and American labor continue to be employed at the best rate of wages paid to any class of laborers upon the earth.

These ideas and ideals are not dreams or vague prophecies. We see in the opening of the Panama Canal the realization of over 400 years of effort, for Columbus sailed from Spain not for the purpose of finding a new continent or strange islands, but rather to find a short water route to the coasts of Asia, so that the trade and commerce of Europe with the Asiatic coasts might be improved by the shortening of water routes and cheapening of freights. And

we see in the growing importance of the cities and harbors of the Pacific Coast the beginning of the fulfillment of the prophecy of Baron von Humboldt, who, over a century ago, while exploring Central America, in writing to his friend Goethe, the German poet, said that the time would come when the Pacific Ocean would sustain the same relation to the United States in commerce and trade that the Mediterranean sustained to the Empires of Greece and Rome in the days of their power and glory.

We see in the reclamation and irrigation systems of the interior and the consequent development incident to their construction, the shifting of vast masses of population into those fertile regions; and we recognize in the rapid development and progress of Alaska, the wisdom of the statesman Seward, who in 1867 purchased that important territory for a sum of money less than is taken from one of her mines in a year's time. But Seward was an optimist, and saw that in time Alaska would become one of the most valuable possessions of the United States; and his wisdom and statesmanship have been fully justified by the fact that within the last ten years Alaska has turned out from her mines and forests and fisheries more than three hundred millions of dollars of wealth, and that volume is increasing every year as the country is developed.

In effect, the people of the West are beginning to understand that the Pacific Ocean, and the countries surrounding that great sea, must become the most active area of commercial and industrial operations upon the globe. The Asiatic nations, numbering over 800 millions of people (more than half the people in the world), are at last throwing off the sluggishness and lethargy of thousands of years of inactivity and conservatism and beginning to realize the significance of twentieth century civilization. And in the midst of all this stands the United States, particularly the western part of it, situated in a position of strategy and command in the very center of the world operations of the future, and in the direct channel of trade between Europe and Asia. These influences, coupled with those that have already been detailed, must make the West and the Pacific seaboard in time the dominant portion of our country, and open wide the door of opportunity to tens of millions of American citizens yet unborn.

CURRENCY REFORM.

By Elliott C. McDougal, President of the Bank of Buffalo and Chairman of the Currency Committee of the New York State Bankers Association—Synopsis of an Address Before Rochester Chapter of the American Institute of Banking.

A MISTAKEN impression seems to have gone abroad concerning the action of the American Bankers Association at its recent convention in Detroit. The association did not drop the work of banking and currency reform. It, then and there, pledged itself to help any effort to pass any proper bill. If a better bill than the "Aldrich bill" will be brought forward the American Bankers Association will give it active support. The report of its committee did say, "It is idle to hope for general legislation of such an important character in a short ses-

sion of Congress," and the judgment of the committee on this point is sound. Even educational work should be suspended until after the presidential election, as no good, and possibly positive harm, may be done by the discussion of such a subject during the heat of a political campaign. As soon as that campaign is over the campaign of education should be resumed, that, when the time comes for Congress to vote on this question, it may vote upon it intelligently. There can be no reasonable doubt that when the people of the United States of America have sufficiently studied this question a good bill will be passed.

So far as the New York State Bankers Association is concerned, I see not the slightest evidence that it intends to abandon its work on behalf of currency and banking reform. Its committee on currency reform, backed by the united sentiment of the association, will resume active educational work as soon as the presidential campaign is over.

The impression that bankers in general are against the Aldrich bill is gaining ground. While such a sentiment exists amongst bankers its extent has been exaggerated. Much of it is due to prejudice against the gentleman after whom the bill was named, and has nothing to do with its merits. Probably the greater part is the result of lack of knowledge or of misrepresentation. I have never heard the bill thoroughly explained to and discussed by a group of bankers who were allowed time to ask all the questions they desired and who were answered not by stump speeches but by actual information, without their apparent conviction, not that the bill is perfect in every part, but that as a whole it is a good bill.

It is fundamentally true that any proper reform in our banking system would be very much more for the benefit of depositors than for the benefit of banks. We are just entering upon a series of prosperous years. The American public is too apt to forget the sad lessons of experience. During these prosperous years we should prepare for the bad years which even the most optimistic admit inevitably will ensue. Business men must not think that the question of currency and banking reform is one in which they have no interest. In 1907 they said: "We've no interest in this—this is a bankers' panic." They expected that so soon as the panic was over business would go on as usual. Many of you men here tonight know, from your own experience, gained by observation of the customers of the different banks with which you are connected, that during the years succeeding the panic business men suffered much more than banks, although they spoke the simple truth when they called it a "bankers' panic."

The next panic will not be simply a "bankers' panic," but also an industrial panic. This must be perfectly plain to any careful student of economics. The losses of business men will be, and always must be, many times greater than the losses of banks. A business man must lose all before his bank begins to lose. While no banking system can prevent business depression and failures, a proper banking system would largely modify their severity and would save the country much unnecessary loss. Is it not perfectly plain to every thinking man that business men would be the greatest gainers by the adoption of a proper banking system?

It is a banker's duty thoroughly to familiarize himself with such questions that he may explain them clearly to depositors, allowing them to judge for themselves just where their interest lies. It is a banker's duty to promote and safeguard the interests of depositors.

There appears to be a general distrust of all measures proposed by bankers. I am somewhat at a loss to understand fully this suspicious attitude. Most bankers have the confidence of their own particular depositors and are on friendly terms with them. Why then do not the public, as a class, have confidence in bankers as a class? Are we not somewhat to blame? Have we been as prompt in furthering measures for the benefit of our own depositors as in opposing measures inimical to our interests? Intelligent bankers know that their interests and those of their depositors, while not strictly speaking identical, are mutual, and that the prosperity of every bank depends on the prosperity of its depositors, but they do not always act upon that knowledge. All banking legislation should consider first the interests of depositors; second, the interests of bank stockholders.

On no other basis can we build a banking system that will command full public confidence and good will. To you younger bankers, influenced by a broader and more liberal education than was open to us, comes the opportunity for a proper solution of this question.

The state of New York needs today a class of institutions that can better serve the public. Trust companies and banks are encroaching each on the sphere of the other, but neither, as organized under present laws, is exactly what the public needs. We have outgrown our old facilities. The legislature of the state of New York has it in its power to give the citizens of our state a class of institutions combining, under careful restrictions, all the facilities of banks and trust companies, and which could give the public better service than any state or national bank or trust company can; neither should there be any opposition to such an institution on the part of national banks as any national bank in the state could, if it saw fit, reorganize under the new system.

In 1909 the state of California passed legislation providing for just such a class of institutions, and, after three years of experience, they appear to give general satisfaction.

HOME STUDY FOR BANKERS.

By H. J. Dreher in "The Wisconsin Banker"—Personal Efficiency Must Keep Pace with Professional Progress—How Leading Universities Have Demonstrated the Value of Correspondence Instruction—What the Institute Offers to Officers and Employees of Country Banks.

FIVE hundred and sixty-two state banks with resources of approximately \$175,000,000, and one hundred twenty-nine national banks with resources of approximately \$186,000,000! Such are the figures which appear in the last annual report of the Commissioner of Banking of Wisconsin as a compilation of banking statistics of this state at the last pub-

lished statement of its banks for the year 1911. By way of comparison, these figures only being available, there were in 1902, but ten years ago, three hundred twenty-seven state banks with total resources of approximately \$86,000,000. In but a decade, the resources of state banks have increased 100 per cent. Enormous as these figures are and impressive in their volume when truly comprehended by comparison, nevertheless, through the need which has made it necessary to speak in millions and even billions, sometimes, as the unit of adequate expression of American industry, commerce and agriculture, they do not as figures impress us with anything save their largeness. Nor is it intended in this article that they should.

But figures of this kind setting forth as best they can a growth truly marvelous, have as a background a deeper and more subtle meaning well worth careful consideration. We are prone in this nation of ours and its constituent states, and Wisconsin is no exception, to read figures as mere terms of value, failing to grasp the living, pulsating things of action which bring them into being as expressions of countless labors and imaginings of many men of diverse occupations and professions.

How proud we are in the achievements of our country. How we delight in telling of its vast resources and great industry. How pleasing to our ears are the well chosen phrases of orators hurling at us statistics upon statistics telling in enormous indicia of value of our material wealth. And yet how frequently such statistics make but a momentary impression upon us and fade away forever.

Back of the figures above quoted lies the tremendous fact that the enormous strength of resources there indicated makes the banking power of the state the strongest single factor in it for commercial and industrial development. And not to be forgotten, the power for good also embraces within itself the same capacity for working evil.

Banking has emerged into a profession demanding the keenest intelligence and largest visions of men. From the period of early development in this nation when banks existed only for the prosperous and comparatively small class of well-to-do, when the functions of the banker were primarily to furnish means for the expeditious transfer of funds and their investment in the incipient industries of New England and the thin streaks of iron rail pushing their way across the prairies and desert lands of the Mississippi Valley and the Far West, to the period of today when banks are vast aggregations of capital and resources containing the deposits of immense trading corporations whose activities embrace the entire world, as well as the few dollars of the small artisan, all of whom meet upon common ground for purposes of availing themselves of functions differing only in degree, a wonderful change has taken place in the conception which men hold of banking.

Then it was comparatively simple business requiring average intelligence, honesty and a keen appreciation of opportunities to apply entrusted funds to the most advantageous uses. Now it is a highly complex institution, daily handling more funds than were previously handled in a year and requiring a deep knowledge, not only of its technical details but a true conception of its possibilities of service to

every citizen regardless of occupation, business or social standing.

America is upon the threshold of a period of intense economic strife and adjustment. By strife I do not mean a species of open warfare, but a keener struggle for existence and the acquisition of the necessities and luxuries of life. Already we are becoming aware of such conditions. The old spirit, ever a part of human existence, which craves for adventure and the tackling of big things, which in the past of America, found its environment and outlet in the great unsettled regions west of the Allegheny Mountains, has turned its activities into the newer fields of social and industrial development and adjustment. The next logical step in such a sequence of events is the wresting from the hands of the lawyers, so necessary to our nation in its formative period, of much of the power concentrated in their hands and the placing of it in the hands of those fitted by training and experience to intelligently cope with economic and industrial problems. And beyond the Pacific Ocean the banker of vision sees marvelous regions of opportunity for American enterprise and finance in the great awakening East.

When the people of the nation shall finally decide to place its government in the hands of men of business affairs, in which profession shall they find the most capable? Bankers are proud of their profession and feel that by every reasonable standard of qualification they should have a large, if not a dominating share, in the administering of governmental affairs. It is with pride the great leaders of finance, and by leaders the word is used in its most comprehensive sense, are made known to men and their achievements recorded. And many have played a truly remarkable part in history. Mention is also made of countless others directing financial institutions who are leaders in the communities in which they live. A profession is enriched by its surpassing characters just as America is made nobler because Abraham Lincoln lived. But in the main, how are nations judged? By the great multitude of ordinary men and women who day by day in obscure places and under ordinary conditions of life perform to the best of their ability their allotted tasks. So it is, in degree, with a profession.

A chain is no stronger than its weakest link. Neither is a profession. Brilliance may radiate from the top but if the great majority of the members of a profession are not attaining its highest standards, it is not and cannot exert its fullest powers for usefulness.

Ten years ago the American Bankers Association recognized this fact and the American Institute of Banking came into existence. Today it embraces within its membership 13,000 bankers and bank men in the nation and in Havana and Honolulu. To elevate the standard of banking and to rear up leaders, it has as to men in city banks, worked through local chapters. It has in this been eminently successful and made good beyond all dreams entertained at its inception.

For a long time the needs of the banker and bank man of the country banks, and they form by far the largest part of the profession, have received deep and thoughtful consideration. From that con-

sideration there has evolved a plan of correspondence study acknowledged to be the best, because compiled solely with a view to meeting the practical needs of bankers and bank man, by authorities whose time for many years has been given to studying the problems involved.

The course is simple and comprehensive. It embraces two divisions of work:

1. Banking Theory and Practice.
2. Banking and Commercial Law.

Banking Theory and Practice is divided as follows, each topic being a lesson:

- (a) Banks and Banking.
- (b) Wealth and Money.
- (c) Loans and Discounts.
- (d) Bank Accounting.
- (e) Clearing Houses.
- (f) Savings Banks.
- (g) Stocks and Bonds.
- (h) Trust Companies (in preparation).

Banking and Commercial Law is also subdivided under the same plan, as follows:

- (a) Contracts and Their Requisites.
- (b) Validity and Interpretation of Contracts.
- (c) Assignment and Termination of Contracts.
- (d) Negotiable Instruments and Their Execution.
- (e) Parties to Negotiable Instruments.
- (f) Transfer of Negotiable Instruments.
- (g) Partnerships and Corporations.
- (h) Sales and Bailments.
- (i) Agency and Trusteeship.
- (j) Insolvency and the Bankruptcy Law.

When the matter contained in each pamphlet is mastered collateral exercises consisting of a review are given and forwarded to the instructor in charge of the work, who gives the matter personal attention making corrections and also needful suggestions. The price for the course is \$20 or \$10 for each part, each one of which if desired may be taken separately.

Correspondence study has fully demonstrated its value. When the University of Wisconsin, perhaps the greatest of state universities, believes that in its extension work, which is only correspondence study, it has its greatest field for development and usefulness, there can be no question but that the method of instruction has come to stay. The course of the American Institute of Banking is as good as can anywhere be found and contains not only reading matter, but forms illustrative of the text. Any officer or bank man who is in a bank which is a member of the American Bankers Association may avail himself of the course upon application. Those who are not such may so avail themselves upon enrollment in the Correspondence Chapter of the American Institute of Banking, or any duly organized chapter. Milwaukee Chapter, one of the largest and best in the Institute, has a non-resident membership roll expressly for such men.

With the great demand for efficient men capable of filling intelligently the positions in country banks, which have been increasing at a very rapid rate, and with the yearning so often expressed by many bank officers for a simple comprehensive course in practical banking and banking law, there is not, with such a course to be had under such reasonable terms, any adequate reason for a further delay in its use.

The bankers of Wisconsin are proud of their record and achievements. There is not one of them who does not desire to raise the standards of the profession and its efficiency for greater service. What more practical, useful service could be rendered to the State of Wisconsin by its bankers than that in every bank there should be a set of these lessons for the use of officers and employees, or that bank officers should see that every bank man availed himself of the opportunities thus offered for intelligent betterment?

The great interest being taken in agricultural development is highly commendable and its extension much desired. But when efficiency is advocated in others, should not those who advocate see first that those engaged in a similar profession are also efficient to the highest degree? Is there anything more important, more directly connected with the welfare of the state and its prosperity than that every member of the banking profession, no matter in how humble a capacity he may serve, shall have an intelligent conception of his work, or perhaps gain a vision of banking possibilities which shall ultimately make him one of the leaders of finance and of men?

What could be more appropriate or more worth while than that the bankers of the state collectively through the Wisconsin Bankers Association or some committee acting in its stead should advocate and extend a course of banking education compiled by men of practical banking experience for the primary use of the banking profession?

THE CALL OF THE COLLEGE.

By Walt Mason.

"O H, why be farmers, stockmen, sawyers?" the college clamors, loud and clear; "why not be editors or lawyers, and wear fine linen all the year? Why soil your hands with loathsome labors? Why carry swill to cow or hog? Rise, rise above your toiling neighbors, and be a fourth-rate pedagogue! Why wear duck overalls and curry the humpbacked mule and brindled steer? Come to the college in a hurry, and learn to be a bank cashier!" Through all the land the boys are dropping the yeoman's tools, in deep disgust, resolved to learn the trade of yawping, resolved to wear boiled shirts or bust. Professions all are overcrowded; the starving lawyers throng the streets; and there are men in surplice shrouded who should be busy hoeing beets. Stenographers we've by the legion who haven't learned the way to spell; and in the fertile farming region the grangers raise an awful yell. "Oh, send us help," we hear them crying, imploring with ten thousand tongues; "send us the husky skates who're trying to earn their living with their lungs! Send us a grist of half-baked preachers, of lawyers who have known no brief, send us stenographers or teachers, to shuck the corn or bind the sheaf!" Above the grangers' mournful bawling, above their pleas for working men, we hear the college sweetly calling: "Forsake the plowshare for the pen!"



INSTITUTE CHAPTERGRAMS

ALBANY.

By Samuel Applebaum.

AT the opening meeting of the Albany Chapter, held September 19, 1912, at the National Commercial Bank, the following applications for membership were received: MacNaughton Miller, John A. Becker, Wilbur A. Quay and A. A. McCarty. These gentlemen were duly elected. Mr. O'Bryne, treasurer, spoke of the financial conditions of the chapter, and Leo K. Fox, chairman of the Educational Committee, made a very able address, referring particularly to the study course to begin Thursday evening, October 24. Mr. Fox was very fortunate in procuring for us as an instructor Professor James B. Kennedy, a graduate of Johns Hopkins University and at present instructor of Union University. His first address will be on "Wealth and Money." Mr. Swann made his report as chairman of the Room Committee. Mr. O'Bryne spoke about procuring stationery for the chapter, whereupon Mr. Bissikummer said that the Albany Trust Company would donate the stationery. Mr. Bissikummer's offer was accepted with thanks.

The speaker of the evening was Charles H. Bissikummer, president of the Albany Trust Company, who addressed the meeting on "Trust Companies," giving some very interesting facts about their origin, the laws governing them and the progress they have made.

The members appreciate keenly this rare opportunity which is being given them to gain knowledge, and appreciate also the hearty support of the bank officials throughout the city, and each member is working hard to make the chapter a success.

ATLANTA.

By Julius W. Paeske.

THE first meeting of the year 1912-1913 was held in the Chamber of Commerce Auditorium, September 26, 1912. Thirty-nine new members were received, bringing the total membership up to eighty-nine. It was decided to have regular study classes every second, third and fourth Thursdays in the month. In line with the decision reached at the meeting held in September the following study course has been arranged: "Wealth and Money," October 10, 17, 24; "Banks and Banking," November 7, 14, 21; "Bank Accounting," December 12, 19; "Loans and Discounts," January 9, 16, 23; "Stocks and Bonds," February 6, 13, 20; "Clearing Houses," March 6, 13, 20; "Savings Banks," April 10, 17, 24; "Trust Companies," May 8, 15, 22. The classes were well attended at the first meeting. Plans are also on foot for monthly debates on current subjects.

BALTIMORE.

By Charles H. Mueller.

"ARE you in earnest? Seize this very moment; What you can do, or dream you can, begin it." Our class in Banking has been organized, and has had several lectures up to the present writing. Our policy this year has not been so much to urge the men, as to interest them, in this class, and our efforts along these lines have brought much gratification to the governing board. The enrollment, so far, numbers about sixty, and we trust that a belated ten or more may be added. We are very much pleased to note that quite a few of our older members have joined this class, and from the comments heard, all have expressed their appreciation and satisfaction of the course and lecturer. Our lecturer is mighty interesting, and he will choose the following topics for discourse: 1. "Nature and Functions of Money." 2. "The Medium of Exchange Characteristics and Composition, and the Relation Between the Constituent Elements." 3. "The Standard of Value and Prices." 4. "The Value of the Standard." 5. "The Elements of the Medium of Exchange." 6. "Credit." 7. "Bank Currency." 8. "Clearings and Exchanges." 9. "The Regulation of Commercial Banking." 10. "Banking in the United States." 11. "Banking in Canada." 12. "Banking in England." 13. "Banking in France." 14. "Banking in Germany." 15. "The Money Market." 16. "Theory of Bimetallism." 17. "The History of Bimetallism."

In conjunction with the lectures we are going to have practical talks upon "Transits," "Clearing House," "Credits," "Analysis," "Foreign Exchange," "Collections," "Trust Companies," and "Stocks and Bonds." The schedule of speakers for these topics has not been completed, but so far we have been very fortunate in securing the following well-known Institute men: Craig B. Hazlewood, assistant secretary of the Union Trust Company of Chicago, Ill., on "Transits"; O. Howard Wolfe, secretary of the Clearing House Section of the A. B. A., on "Clearing House," and Freas B. Snyder, assistant cashier of the First National Bank of Philadelphia, on "Credits."

There have been many vain regrets heard from some members that they do not hold the Institute Certificate, so that they might be eligible for the post-graduate course. This is indeed an awakening, and we have hopes that our present post-graduate class, which numbers about ten, will find a practical solution for studying the Institute course. So far, this class has held several meetings, and our method of procedure has not been worked out to a degree where, in our opinion, it would be wise to entrust it to these pages.

Our first open meeting of the year was held on October 8, with the following program: Wm. S. Hammond, cashier First National Bank and first president of Baltimore Chapter, presided. "Wealth From Waste" was the subject of an elegant address by Edward James Cattell, statistician city of Philadelphia. The "Advantages of Co-operation Among Trade Organizations" was discussed by Henry F. Baker, of Robert Garrett & Sons, president of Merchants & Manufacturers Association.

After a few appropriate remarks from our president, Louis W. Jenkins, Mr. Hammond was introduced as the presiding officer. Mr. Hammond related how Baltimore Chapter was first organized, and expressed his gratification of the way in which the chapter has grown. He assured us of his continued interest, and hoped that we might always continue successful.

To those who have not heard Mr. Cattell, we will say with candor, you have indeed missed a treat. His talks are always filled with wit, real live wit, which brings his points out very clearly. Then he always has some good, sound, common-sense advice, from which he makes a fellow feel more enthused with the idea that he is a part and parcel of this good old world, the United States, and also the banking fraternity, and that he can succeed if he will. He appropriately ended by instilling into us an ideal of the highest to always look to and endeavor to attain.

"Ah, but a man's reach should exceed his grasp,
Or what is Heaven for?"

Mr. Baker gave a very interesting talk on the advantages of co-operation among trade organizations. He argued that the many trade organizations should organize a central committee, which should be composed of a member from each organization. The purpose of this body would be to bring the different organizations in closer harmony, and that ideas from the different organizations could be given to each other, which would work for the betterment of all. As it is at present, the many different organizations are working to their own ends, in many different ways, which at times are very conflicting and occasion some ill feeling.

Hilary Lucke gave a very interesting and enlightening report of the convention. He mentioned the important business which was accomplished, and also the many good times the delegates experienced. His report made us all sigh for the time when we will be fortunate enough to be a delegate.

Our Bowling League began its season with the following teams: Citizens National Bank, National Bank of Commerce, American Bonding Company, State Bank of Maryland, German-American Bank, National Marine Bank, Fidelity & Deposit Company, Merchants National Bank, National Bank of Baltimore, National Union Bank.

BOSTON.

By E. M. Phillips.

ALTHOUGH our chapter year begins in May, the real "season" does not open until September or October. This year it was in September, and we are now well on our way along the Administrative Highway mapped out by our energetic presi-

dent and his able "crew" of chairmen. The Law course given by Professor Williston is receiving splendid support and keen interest is shown by more than one hundred and seventy-five members who are enrolled in the class. The course in Banking bids fair to be our big hit. So large has been the registration that larger and more commodious quarters have been secured for a class room. There is a good-natured rivalry among the men who have the honor of being chosen to take places in the course as lecturers and some excellent papers are promised. Although we are not making any campaign for new members, preferring to win recruits by the excellence of our courses, our membership committee nevertheless reported seventy new members at the last meeting of the board of governors and have thirty more awaiting election, making one hundred new members added since September 1st.

While we are devoting practically all our time and energy to the educational courses we realize nevertheless that good fellowship is a big asset in the conduct of the chapter and so have provided a little recreation on the side. This recreation takes the form of monthly meetings in the Boston City Club when on an average two hundred members get together for a good time. An informal dinner is served and there is always an interesting program of music and speaking. These "get together" gatherings have been named Chapter Nights, and every effort is put forth to have the men enjoy themselves. Each is named and special features are provided according to the "Night." The opening night was Sept. 25th and in October we held Institute Night, having as guests Alfred I. Aiken, of Worcester, who spoke on "Some European Methods of Financing the Farm," and William S. Evans, of Philadelphia, who gave us a stirring address on "The American Institute of Banking." In November we hold a Musical Night, and on January 8th will be held the first of two nights known as Trade Nights. On these occasions we will have for speakers prominent business men of the city. The "Big Night" or annual dinner, will be held in February, and in April we will celebrate Members Night, when the entire program will be supplied by our members. Our inter-chapter debates and adding machine contests will be held in conjunction with these chapter nights.

For a time at least no very aggressive work will be undertaken by the Post Graduate Committee. Boston Chapter has twenty-seven graduates, but all are more interested in the regular courses than in this new course, and as they are the ones who must support the Post Graduate plan, the matter has been temporarily dropped. The graduates made a study of the proposed plan and then, as a committee, voted to let the matter rest for a time. There is, however, a feeling that it is an excellent course and will be given hearty support at a later time.

CHATTANOOGA.

By T. R. Durham.

THIS promises to be a very interesting year for the Chattanooga Chapter. We have reached the point where one class will no longer meet the requirements of the chapter. The plan this year is to have a junior and senior class, the junior class

to take up the elementary banking law, and the senior class to take up the advanced course as outlined by the Post-Graduate Committee.

Another innovation this year will be that the entire instruction will come from within the chapter; that is, no outside lecturer will be employed, but the older men in the chapter will deliver lectures to the junior class, and the advanced course will be treated as a forum, everybody belonging to the class taking some active part in the discussion.

A few nights ago the first regular meeting was held at the Read House, where a good supper was served and the chapter was addressed by W. A. Sadd, president of the Chattanooga Savings Bank, on the "Canadian Banking Systems," and the delegates to the convention made very glowing reports concerning that memorable occasion. The Educational Committee outlined its plans for the year, and there seemed to be considerable enthusiasm among those present.

CHICAGO.

By W. W. Walton.

WALTER D. MOODY, managing director of the Chicago Plan Association, delivered a very interesting and instructive stereopticon lecture before the chapter Tuesday evening, October 8, outlining the plans of the Association for "Chicago beautiful," which contemplates a civic center, and boulevards and main thoroughfares diverging from this center like a fan, thereby relieving congestion in traffic and providing for the conservation of the air, light and sunshine, which Mr. Moody regards as of much more importance than the conservation of the natural resources, which, after all, are the real natural resources. Views were shown of Paris, Berlin and London, and other cities, built along similar scientific lines, which conclusively proved the advisability and practicability of the plan as outlined by the Chicago Plan Association.

We had Captain P. D. O'Brien, who has served the Chicago Police Department for the past thirty-one years, with us Tuesday evening, October 22, and he gave an exceedingly interesting talk on criminals and how they operate. The captain stated that criminals are the smartest and best equipped body of men in business, and classified them as follows: Forgers, bank robbers or safe-blowers, confidence men, counterfeiters, the real burglar, hold-up men, wire tappers, fake fights and wrestlers, and pick-pockets.

Chicago Chapter has entered into what promises to be the most successful year of its career, progress and interest in its various departments being very much manifest, enthusiasm still being at a feverish height. Our Membership Committee has been doing very effective work and the membership at this writing promises to exceed that of last year by several hundred. The Commercial Law and Banking class, conducted by James I. Ennis, LL.B., is proving to be exceptionally popular, there being almost three hundred and twenty-five members enrolled at this time. Halsey M. Matteson's class in Rhetoric and Composition is quite as popular, there being about three hundred members enrolled. One of the most interesting and beneficial departments of Chi-

cago Chapter is its Debate Society. This year an instructor will be employed for a thorough course in public speaking. In addition to debates with outside teams, formal debates will be held before the society and the chapter.

Chicago Chapter will give its first dance at the drill hall, Masonic Temple, Friday evening, November 22. The Entertainment Committee is planning to make this dance one of the chapter's social events of the season and its success is assured.

CINCINNATI.

By William Beiser.

JOHAN P. H. BREWSTER is the unanimous selection of Cincinnati Chapter as a nominee for the honor of a Fellow of the Institute, to be voted upon by the members of the Executive Council. Surely, no man of Cincinnati Chapter is more deserving of this honor. He has been active in the Institute for a number of years—been chairman of different committees—is of course a graduate of the Institute—has made favorable impressions at different conventions—and has been chairman of Cincinnati Chapter for two years. The reputation of our chapter as having a very large proportion of active members is due to his zeal and energy. Evidence of his executive ability is found in the enthusiasm now prevailing in Cincinnati Chapter, and to the excellent work which is being accomplished this year. He possesses all those qualifications which are considered as essential in one who is elected to the high honor.

At a recent meeting of the Board, favorable action was taken upon the suggestion of the Clearing House Section of the American Bankers Association. A committee has been appointed to hold conferences with bank officers, and to carry on an energetic campaign for the adoption of a numerical system. A challenge for debate, to be held in Cincinnati on February 12, has been issued to Pittsburgh Chapter. The Debate Committee also proposes to enter into negotiations for debate with Chicago. The Educational Committee has almost completed the program for the year, which will shortly be placed in the hands of all of the bank men in Cincinnati. Evidence is had of deep interest taken in this year's activity by bank officials. The following lectures have been provided for October and November: October 29, "Investments," by T. J. Geisler, secretary Central Trust & Safe Deposit Company; November 12, "The Receiving Teller," by R. C. Smith, assistant cashier Citizens National Bank; November 12, "The Claim in the Attorney's Hands," by Geo. B. Mundy, LL.B., with Peck, Shaffer & Peck; November 19, "The Science of Finance," by Henry J. Mergler, member of the Executive Council of the A. I. B. Another important lecture will be provided for on this night. All the foregoing and the following are evidences of the rejuvenation of Cincinnati Chapter as referred to in the recent report, and of the untiring efforts and executive ability of our chairman.

On Tuesday, October 8, Dr. L. D. Upson, of New York, who is the managing director of our municipal exhibit, gave a most interesting lecture on the city's budget. Speaking of it in a scheduled and function-

alized form, it was really presented to us in a vitalized form; for a budget can prevent waste, graft, and inefficiency, and can tell the truth as to the disbursement of funds derived from taxation, and "cry out" for certain municipal needs. The Doctor dwelt at some length upon the history and development of cities, and took issue with Mr. Bryce's criticism of American life concerning his reference to our inability to govern our great cities. Graft does not make big cities rotten—but inefficiency. He paid a remarkable tribute to the civilization which has been developed in its highest form in cities.

CLEVELAND.

By P. J. Slach.

THE Season has commenced for the Cleveland Chapter. The initial bow was made on the evening of September 24, when a reception was given by the Board of Governors and official staff to the members, their wives and sweethearts. This meeting was productive of much pleasure and a complete understanding between the governors, officers and the fair partners of our members. It was explained to the ladies that it was necessary for their future success and happiness, that their escorts should be excused upon chapter nights for the purpose of making an assent up the ladder, as such advances can only be obtained through an organization like ours, plus hard work on the part of each individual. This idea appealed to the business sense of the ladies and they unanimously adopted the idea, so that Cleveland Chapter will be blessed with a good attendance during this coming year.

Our first educational meeting was held on the evening of October 8. The delegates to the recent Salt Lake City convention made their detailed reports. Their addresses not only sparkled with instruction, but also with humor. Apparently they must have been very observing and nothing escaped them. The entire summary of the proceedings were given plus all features that were not upon the program. The audience enjoyed these reports greatly, especially when some incident was related that touched upon some other delegate, either of our chapter or other cities. The chapter unanimously commended the delegates on their report of the activities.

W. R. Green, chairman of the Program Committee, has begun a series of addresses to be given by the junior officers of the various banks in our city. His first number for the season relating to "Bank Organizations, Their Powers and Limitations." Part of this subject relating to national banks was given by J. C. McHannan, assistant cashier of the Central National Bank, while the state banks and trust companies were presented by W. M. Baldwin, assistant treasurer of the Citizens Savings & Trust Company. The members listened intently and at the conclusion were prepared with many questions. The above gentlemen were equal to the occasion, and answered the questions to the satisfaction of everybody. The beginning of the series assures a splendid reception for the future bankers.

L. J. Kaufman, chairman of the Educational Committee, is outlining various classes to be conducted

in our Study Room, while W. H. Kinzey is arranging a program, consisting of music and entertaining numbers. He also has undertaken to prepare preliminaries for conducting a minstrel show which we hope to be one of the features of the coming year.

Incidentally as an item of news, we wish to mention that our vice-president, C. W. Stansbury, has been blessed with a beautiful addition to his family, and that John V. Holecsek has likewise been blessed, but in a different manner by effecting a life-long partnership with a fair partner, who once was Miss Rose Goldsmith.

October 12 was a red letter day for Cleveland Chapter. Some time ago this chapter had the pleasure of entertaining Pittsburgh Chapter in our city. We were amply repaid by the enjoyment of our visitors, but our Pittsburgh brethren were not satisfied to cancel the indebtedness in such a manner, and therefore invited Cleveland Chapter to pay them a return visit. We did so by a special train, one hundred and fifty-six strong, among whom were thirty-three representatives of the fair sex.

We were met at Sewickley by a reception committee composed of gentlemen and ladies, who were very enthusiastic in their efforts to receive us. Sewickley, incidentally, is the home of millionaires and a large number of Pittsburgh bankers. We were escorted to their beautiful Y. M. C. A. building, and had a luncheon which was extremely palatable.

B. O. Hill, president of Pittsburgh Chapter, H. E. Hebrank, chairman of the Committee of Arrangements, and the secretary of the Y. M. C. A. of Sewickley, gave us a warm welcome, and assured us that the entire building was at our disposal.

The battle began immediately after luncheon. The baseball game was a strenuous affair, but the Pittsburgh boys were victors, 4 to 1. In the tennis matches there was consolation for our team, and their efforts were rewarded by a tie score. The president of Cleveland Chapter apologizes to these gentlemen for admitting their defeat because their prowess provided the only relief that prevailed during the entire athletic contests. Congratulations are their's.

Our golf players were true sportsmen and gentlemen, as is evidenced by the courteous treatment accorded to their host. Our pride alone forbids us in giving the detailed score. While the games were in progress, the ladies of our party were taken by automobiles to the beautiful residential section of this beautiful city, and we understand that they also had access to the beautiful parks of many of the millionaires. The ladies were jubilant in their expressions in regard to the scenic beauty of this ride.

At the close of the day we were taken by a special train to Pittsburgh—Fort Pitt being our headquarters. A splendid dinner was served in the Norse Room of this hotel; everybody was in good humor, vocal and instrumental music prevailed everywhere. B. O. Hill, the president, in his extreme modesty, declined to share all the honors of this event and introduced H. A. Williams, the banker examiner, as the toastmaster. He did his duty very well—his eloquence and shafts of humor still remain with us. The speakers were H. A. Pratt of the National Committee, L. J. Kaufman, the past president of Cleveland Chapter, and P. J. Slach, the present incumbent.

An additional courtesy was paid to the visitors by Mr. Davis, the director of the Grand Opera, in delaying the performance ten minutes to enable us to enjoy the evening's performance, which was partially arranged to suit the occasion. After the theatre, we were taken to the top of the magnificent Oliver Building, and saw Pittsburgh by night. The sight was very inspiring.

On Sunday, there were automobiles galore, and in the afternoon a special reservation was held for us in the Carnegie Recital Hall, and the program was of such a nature that all present were captivated by the splendid music that was rendered. In the evening our hosts escorted us to our special train. We endeavored to express to them our thanks, but words were hardly sufficient, because we had been royally entertained, and the impression will always remain with us. The friendly tie between Cleveland and Pittsburgh was cemented more deeply than ever before. Among the able representatives who engineered the Cleveland end of our trip were Guy W. Shanks, W. R. Green, Charles L. Corcoran and L. J. Kaufman, and the chapter commends their efforts.

DALLAS.

By H. P. May.

DALLAS CHAPTER, like many of her sister chapters, has had her time of rolling the ball up hill and for nearly three years the "believers" have toiled assiduously, but feel that at last their efforts are in a fair way to bear fruit. For the first year and a half after organization, Dallas Chapter had no regular quarters, depending on getting the Chamber of Commerce hall two nights of each month or using the assembly hall of the Y. M. C. A. when it was not in use. She accepted these offers temporarily, as her membership was small; but a year ago leased a small lecture room where the course in Banking Law was pursued.

It was soon discovered that a large attendance cannot be attracted unless some entertainment is offered along with the study course, and this could not be done in our small room; so a committee was appointed to secure rooms containing space for all requirements. This resulted in leasing the entire third floor of a building conveniently located, divided into five rooms, which have been designated as library, game room, billiard room, reception room and assembly hall, all of convenient size. A Purchasing Committee was appointed with full power to fit up all the rooms in a most comfortable and elegant manner, the furniture men and drapers giving the committee the benefit of their experience and artistic taste, and the result is a harmonious and pleasing effect. The furnishings include pocket billiard table, player-piano, "gym" paraphernalia. The floor of the assembly hall has been prepared for dancing.

The above description might impress some that the Dallas Chapter is going in for sport and pleasure rather than for educational work; but such is not the case. In about three years' experience it was found that the faithful few would attend lectures without other inducements than the satisfaction of self-improvement. The object of the chapter is to

reach the multitude rather than the few, and she feels that by offering the pleasures and comforts of nice club rooms they will be the means of interesting more of the young men in the study course.

The new quarters were formally opened on Thursday evening, September 19, all bank men of the city being invited, and the program was conducted in line with our future plans with the exception of some delightful musical numbers and cigars being added by way of entertainment. The principal topic of the evening, "Credits," was discussed by J. Howard Ardrey, cashier of the City National Bank. He concluded his discussion by impressing on those present the importance of the work being undertaken by the chapter and stated that he believed it would only be a matter of time till the chapter men would be given the preference in case of promotion, the reason being obvious. Royall A. Ferris, president of the American Exchange National Bank, made a short talk commending the efforts of the chapter, and complimenting its nicely appointed club rooms. Captain Henry Smith also made some timely remarks endorsing the work of the chapter.

At the close of the lecture season in the spring, Dallas Chapter had only about fifty members, but a membership campaign was entered upon, which has brought our membership up to about one hundred and twenty-five. From the activity of our officers and their co-workers, our membership bids fair to reach two hundred during the winter months.

The Educational and Program Committee have outlined the course of study for the season, adapting it to the regular A. I. B. course. They are also arranging for periodical talks on topics of interest by qualified business men. The most active men in Dallas Chapter are primarily for education, and Stewart D. Beckley, the president, emphasized that feature very strongly on opening night. Dallas, Texas, is the "livest" city in the South today, and Dallas Chapter proposes to be the "livest" chapter. The officers of the Dallas Chapter are: Stewart D. Beckley, president; A. B. Kendrick, vice-president; C. T. Dean, secretary; Robert Williams, treasurer.

DAYTON.

By F. H. Stachler.

FOLLOWING the summer rest our activities have been resumed with promises of a most successful year. Our chapter officers have been hard at work preparing a program for the coming winter. At our first winter meeting held on Wednesday evening, October 2, the educational work upon which the organization is about to launch was outlined by B. B. Brady, of the Dayton Savings & Trust Company, who has been active in promoting the welfare of the organization since its beginning.

Talks were delivered by E. A. Deeds, vice-president of the N. C. R. Co., who spoke on "The Advantage of Education in Business," and Judge R. W. Baggott of the Probate Court. Before the meeting was closed, refreshments were served in the Y. M. C. A. dining room.

In the discussion of his subject, Mr. Deeds laid special stress upon the importance of the application

of practical methods in business. He also urged the necessity of eternal watchfulness against the narrowing influences of one line of work, advising that his hearers devote their attention to other things during the hours in which they are not actually engaged at their daily tasks.

Judge Baggott interspersed some real practical advice to the young men whom he addressed, with the fund of wholesome humor with which his remarks were punctuated. His address was received in an enthusiastic spirit and occasioned frequent outbursts of applause.

The program for the winter is most complete, embracing a course in Business Law by P. N. Sigler, a course in Banking, a series of lectures by bankers and professors, and several debates, in addition to the regular Institute study classes.

DULUTH.

By Charles I. Townner.

DULUTH CHAPTER renews its activities this month after the usual summer vacation. G. W. C. Ross has been re-engaged for the coming season and will deliver a series of lectures on Banking and Finance. About thirty of the boys have enrolled for the class. The Social Committee is arranging for several social functions, the first of which will be a dance to be given in the near future.

FARGO.

By Leo Cline.

THE first meeting of the year of the Fargo Chapter of the American Institute of Banking was held in the club rooms of the chapter, Thursday night, October 3, 1912. An exceptional attendance of the members were present and the new year's work was started off in excellent style.

The chapter possesses among its members an exceptionally fine orchestra of eight pieces, and after the meeting was called to order by President Huff, this orchestra rendered three or four fine pieces.

The study program was presented by the Educational Committee and the chapter will devote itself during the winter of 1912-13 to the study of the negotiable instrument law and its practical application. The second course will include the validity and interpretation of those contracts peculiar to banking methods and will be given by Mr. Murphy of the law firm of Lawrence & Murphy. Mr. Aubrey Lawrence has also promised to supplement the work of Mr. Murphy by giving to the chapter some time during the year four special lectures on this same subject.

A third course in practical banking methods, system, etc., will be given under the instructorship of L. R. Buxton, assistant cashier of the First National Bank of Fargo. This course will deal only with those practical methods and actual systems in use in the best of national banks today and will further include demonstrations by the experts of all the modern time-saving devices and machines now in use in national banks.

Every fourth meeting throughout the year will be devoted to such features as debates and other en-

tertainments, including outside speakers of note, under the direction of the Program Committee.

At the conclusion of the adoption of the study program, the chapter was favored with an exceptionally fine address by Hon. L. B. Hanna. Mr. Hanna explained the development of banking as he had seen it from his personal experience in North Dakota dating from an original clerkship in the pioneer bank at Page, N. D., to the presidency of the modern First National Bank of Fargo. In a reminiscing and exceedingly clever way, he pointed out to the chapter the various developments that had taken place in banking methods in this state and prophesied even further development in the years to come.

HARTFORD.

By E. R. Barlow.

AN informal dinner, marking the opening of the year's work of Hartford Chapter, was given at Bond's, Tuesday evening, October 8 at which one hundred and thirty covers were laid for members and prospective members from this city, Bristol and Plainville. A very elaborate menu was furnished which was all the more appreciated as the chapter "stood for" half of the expense. The hall was tastefully decorated with cut flowers and potted plants, and printed lists of all the latest popular songs were at each plate, so that all could join in the choruses, which everyone did to the best of his ability or inability whichever it happened to be. The informality of the affair, aided by the music and a well-known soloist, produced a feeling of good-fellowship which was good to see. The speakers of the evening, most of whom were our own bank officers, seemed to catch the spirit in the air, as evinced by several in their talks to us on the need of friendship in business. The evening was arranged by the officers of the chapter, and much credit is due Mr. Goeben and Mr. Pierce for the success of the affair.

Mr. Goeben, our president, acted as toastmaster, and, in a very clever manner introduced the following speakers: Major Frank L. Wilcox, president Fidelity Trust Company; Newton W. Larkum, Connecticut Trust, delegate to Salt Lake City convention; Melgs H. Whaples, president Connecticut Trust & Safe Deposit Co.; Joseph H. King, vice-president Phoenix National Bank; John W. Joy, attorney, instructor in our Banking Law course; Harold W. Stevens, president Hartford National Bank; Rev. Charles F. Carter, pastor Park Congregational Church.

Whether it was the offer of a \$20 prize by Mr. Whaples for the best paper on "Collections," or the opportunities offered in our law course the coming year that caused twenty-five men to send in applications for membership, is not known, but both certainly must have appealed, as we have had that many applications. But what is still more encouraging, is the enrollment of 50 members in our Banking Law course. As we have found it rather difficult to get the men around once a week, we are going to meet every other Thursday night, and take the following part of the course this winter, with John W. Joy, a local attorney, as instructor: "Contracts and Their Requisites," "Validity and Interpretation of Contracts,"

"Assignment and Termination of Contracts," "Agency and Trusteeship," "Sales and Bailments," "Partnerships and Corporations."

JACKSONVILLE.

By J. E. Stephenson.

DURING the past month Jacksonville Chapter has been undergoing a series of oral examinations conducted by the Instructor, E. T. Schenck, for the purpose of ascertaining just how much the members knew (or did not know), about the studies that have been taken up so far. The subjects covered included "Collections & Transits," "Loans & Discounts" and "Commercial Credits"; and long before the course was completed it was demonstrated to the entire satisfaction of some of the members that they still had a whole lot to learn about the banking business.

The meeting of Friday, October 25, was probably the most successful one that has been held since the organization of the chapter from the standpoint of attendance, fully sixty members being present. T. J. Brooks, cashier of the Guaranty Trust & Savings Bank, was the first man to take the floor; and he excelled himself in a very entertaining and instructive address on "The Efficiency Expert." Next came R. A. Yockey, also of the Guaranty Trust & Savings Bank, who outlined a scheme for the organization of a Mutual Savings & Loan Association of the chapter members. This matter was fully discussed, and as the plan seemed to meet with universal approval a committee of five was appointed to investigate the proposition and report at the next meeting.

The principal drawing card, however, was furnished by the sales agents of the Wales Adding Machine, who arranged a contest for speed and accuracy in running off 250 checks. Thirteen speed artists entered from the various banks, and the competition for the two prizes of \$15 and \$10 in gold was very keen. J. E. Madigan, of the Barnett National Bank (first), and T. S. Wylly, of the Commercial Bank (second), were the lucky men who eventually cornered the coin. Jacksonville Chapter congratulates itself on having beaten the time record recently made by Savannah Chapter on a similar occasion; and as the Wales people propose to arrange a further contest with more attractive prizes in the near future, we anticipate that we will be able to do even better at that time.

KANSAS CITY.

By Lloyd Garrett.

THE Bankers' Club, composed of bank officers of Kansas City, and the Kansas City Chapter of the American Institute of Banking, gave a joint dinner at the Hotel Baltimore, October 3. Two hundred and eighty officers and clerks attended, and everyone was highly pleased with the dinner and the entertainment which followed, furnished by the Kansas City Athletic Club minstrels and the First National Bank quartette.

C. A. Burkhardt, president of the local chapter of the Institute, spoke of the plans for the coming year. Classes both in Banking and Finance and in Commercial Law will be conducted and next year

Kansas City Chapter expects to have a goodly number of Institute certificate holders to take up advanced work.

C. W. Allendoerfer, assistant cashier of the First National Bank, who was elected a member of the Executive Council at the convention of the Institute in Salt Lake City in August, made his report of the proceedings of the convention. He also described his trip and told of the entertainment provided en route and at Denver and Salt Lake City.

P. W. Goebel, president of the Commercial National Bank of Kansas City, Kansas, spoke of the convention of the American Bankers Association at Detroit. Both Mr. Goebel and Mr. Allendoerfer highly commended the addresses of Jerome Thralls, manager of the local clearing house, at each of these conventions.

LOUISVILLE.

By E. A. Converse.

THE Louisville Chapter opened its work for the fall and winter, October 10, with a smoker and light refreshments, in a way that promises to bring big results from the standpoint of education.

Our splendid start is due chiefly to the man who made the address of the evening, Henry H. Aehle, of the Mercantile National Bank of St. Louis, Mo. Mr. Aehle, by his very thorough knowledge of Institute work, and his most capable way of telling it, inspired every one present to the point of pledging to take the regular course in Commercial and Banking Law, as drawn up by the Institute.

The class in this course is to number about forty-five. Besides this class, several members are going to take the course on the "Theory and Practice of Banking."

Leon P. Lewis, assistant city attorney, and professor of law in the University of Louisville, is to be our instructor for the winter, and we consider ourselves extremely fortunate in securing his services, as he fills the requirements of a lawyer and a teacher.

MILWAUKEE.

By J. G. Swift.

THAT the education ideals held up to the delegates to the Salt Lake City convention prevail among our members in Milwaukee is shown by the attendance at our opening classes for this season. Contrary to our usual custom of beginning the year with a "smoker" or a "good-fellowship" meeting, this season's work was begun with a resumption of the study of the orthodox courses prescribed by the Institute. The official opening, when it is endeavored to have assembled the entire membership, will be held on the evening of November 1. At this meeting the plans for the coming year will be announced and discussed; there will be short addresses by prominent Milwaukee men and some simple entertainment will be provided.

The educational work, which has so far been provided, consists of the standard courses in Law and in Banking. The committee on education will also endeavor to provide a series of lectures which will be announced from time to time as the plans are fully completed. Up to the present we have been for-

tunate in securing Dr. J. Paul Goode, of the University of Chicago, in his illustrated lecture, "Hawaii: a Geographic Interpretation"; and Professor R. H. Hess, of the University of Wisconsin, who will speak to us on "Public Interest and Private Right in Business."

Milwaukee Chapter is glad to announce that the organization of a Chapter Forum has been completed in accordance with the outline presented in the August issue of the Bulletin. This class is made up of our entire number of twenty-three certificate holders who have elected as chairman, H. J. Dreher, and as secretary, J. H. Daggett. The method of study to be used in this course seems to appeal to all of our eligible members; and if the enthusiasm shown at our first regular meeting continues to be felt throughout the year, then the members of the Chapter Forum have many an interesting and profitable evening before them.

For purposes of correspondence the chairmen of our various standing committees are as follows: Education, J. H. Daggett, First National Bank; Ways and Means, H. H. Van Male, National Exchange Bank; Debates, Edw. Schranz, Jr., First National Bank; Press and Bulletin, J. G. Swift, First National Bank; Entertainment, F. T. Nicolai, Second Ward Savings Bank; Athletics, F. W. Koenig, First National Bank.

MINNEAPOLIS.

By Walter J. Tobin.

MINNEAPOLIS CHAPTER opened its program for the season's work this year under the most auspicious circumstances in the memory of any member. The new arrangement agreed on last year for a system of monthly meetings with a dinner was started and proved a huge success. The dinner was held at Donaldson's Tea Rooms, the largest and best equipped dining room in the Twin Cities, and a general invitation was issued to all the bank men and bank officers of Minneapolis and St. Paul. About three hundred attended and listened to a battery of speakers, the strength of which is seldom excelled.

The close affiliations now existing between Minneapolis Chapter and the University of Minnesota enabled us to secure Dr. George Edgar Vincent, president of the University, as our principal speaker, and his efforts in the line of oratory surpassed even his own usual high standard. Dr. Vincent congratulated the chapter on the interest being shown by its members in the various study courses in banking law and banking practice which the university is giving for its benefit this winter and predicted that an immense amount of tangible and visible good would come from it. Professor J. F. Ebersole of the university, who is one of the instructors for the bank clerk classes, also gave an idea of what the course was intended to do.

There was an attendance of bank officers from nearly all the Twin City banks and addresses were made by several of them. Archibald A. Crane, vice-president of the First National Bank, and W. F. McLean, cashier of the Hennepin County Savings Bank, both spoke on "Opportunity." Mr. Crane gave the members a few facts which showed how much greater their chances for advancement now are compared to what they were thirty years ago and showed how

difficult it was to obtain technical instruction only a few years back. Mr. McLean encouraged the habit of studying banking in the schoolroom for the help it gives in practical applications.

Joseph Chapman, Jr., of the Northwestern National Bank, was in fine form and delivered himself in no uncertain terms of his idea of the difference between the members of the chapters all over the country and the slothful ones who are willing to sit still and watch the live ones pass them by. C. S. Diether, president of St. Paul Chapter, spoke on the friendly relations which have always existed between the clerks of the two cities both in social and business ways.

The president of Minneapolis Chapter, Frank J. Mulcahy, presided at the dinner and spoke in a happy vein of the pleasant prospects the new season had brought. He predicted that the year now starting would surpass anything in former years and the enthusiasm with which this announcement was received by the members showed that they were of the same opinion.

NEW ORLEANS.

By W. W. Sutcliffe, Jr.

NEW ORLEANS CHAPTER officially opened the 1912-13 session on October 17 with a business meeting followed by a smoker. The attendance was excellent; not that the prime attraction was justification, but that there is an apparent anxiety on the part of the members to begin in earnest our educational work. The spirit of pessimism, which is sometimes prevalent in a few, and the influence of which makes the progress of the studious clerk difficult, is entirely dissipated. On the contrary, our boys realize the opportunities that are being offered them by the Institute, and I really believe that there is not one who does not feel that it is a duty he owes himself to take advantage of them.

Mr. Mulledy, chairman of the Educational Committee, spoke briefly on our educational work, and has mapped out a very interesting program for the year. We are very fortunate in securing the services of Rudolph S. Hecht, trust officer of the Hibernia Bank & Trust Company, and a member of the "Fellowship Class," and Prof. Morton A. Aldrich of the Department of Economics of Tulane University. The class in Practical Banking will be conducted by Mr. Hecht, and the lectures on Political Economy will be delivered by Prof. Aldrich. The following is an outline of our educational program: November 6, 1912, discussion on "Clearing Houses"; November 20, Political Economy lecture; December 4, discussion on "Loans and Discounts"; December 18, Political Economy lecture; January 15, 1913, discussion on "Bank Accounting"; January 29, Political Economy lecture; February 12, discussion on "Savings Bank"; February 26, Political Economy lecture; March 5, discussion of "Trust Companies"; March 19, Political Economy lecture; April 9, discussion on "Stocks and Bonds"; April 21, Political Economy lecture; May 14, review of banking subjects; May 21, review of Political Economy subjects; May 28, joint examination of banking and Political Economy subjects.

From the present outlook it seems as if we will have to organize a class in Law to accommodate the

demand of our new members and those who have never taken advantage of the previous classes on this subject.

Irwin L. Bourgeois, chief clerk of the Hibernia Bank and Trust Company, and the new national treasurer, delivered the following address which was very enthusiastically received:

"I want to say that it shall always be my aim to serve the New Orleans Chapter to the best of my ability, regardless of the office they honor me with. It shall be my one desire to see the New Orleans Chapter flourish, and maintain the high standard it now holds. To this end, I can but suggest—nay, urge—upon you the necessity of co-operation. Co-operation on the part of each and every one of you present this evening, to realize the meaning of the chief aim of the Institute—the educational advancement of its members.

"It is my hope that within the coming year the membership of the New Orleans Chapter will double, and that those bank clerks who have not as yet realized the benefits of the Institute will soon awaken and remove the veil that seems to cloud the eyes of their understanding, and seem to prevent them from realizing that they are standing in the way of their own progress.

"As a last word, I again thank each and every one of you for the many kind thoughts and expressions, and want to assure you I will use my best efforts in national affairs to the good of dear New Orleans Chapter."

The thanks of the New Orleans Chapter is due John Dane for the efficient manner in which he conducted our "smoker." It was one round of fun from beginning to end.

NEW YORK.

By Harold S. Schultz.

THE season of 1912-13 was ushered in with pomp and ceremony on Thursday evening October 3. The younger generation of bankers was well represented, our rooms being taxed to their full capacity with earnest chapter workers and a large number of new members. The following program will give an idea of the very auspicious beginning of the work this year:

Invocation, Rev. W. H. Kephart.

Remarks by president.

Selection, Bankers Glee Club.

Address, Alexander Gilbert, president Market & Fulton National Bank.

Presentation of Cannon Prize, Samuel S. Conover, president Fidelity Trust Co.

Selection, Bankers Glee Club.

Presentation of Practical Banking Prize, J. A. Neilson, Brown Bros. Co.

Presentation of Certificates, James G. Cannon, president Fourth National Bank.

Song, "America," Bankers Glee Club and audience.

Mr. Gilbert gave a very instructive address, touching on the advantages of education to the young bankers, and emphasizing particularly the need of instruction along the lines of letter-writing and communication.

The presentation of the prize of \$25 offered by James G. Cannon, president Fourth National Bank, for the best paper written by a member of New York Chapter on the "Essentials in Purchasing Commercial Paper," was made by Mr. Conover. V. F. Hann, of the Fifth Avenue Bank, the winner, was heartily congratulated, and his paper, through the courtesy of Mr. Cannon, was published in pamphlet form. T. J. Connellan, of the National City Bank, received honorable mention, his paper also being a very creditable discourse on that subject.

A prize of \$20 in gold offered by chapter graduates for the best examination paper on Practical Banking was presented by J. A. Neilson, of Brown Bros., to Henry Ernest Burr, of the Fifth Avenue Bank. Mr. Burr's paper received the mark of 92 per cent. It showed a thorough knowledge of the detail work in the banking business.

The following men having successfully completed the course of study prescribed by the chapter were awarded certificates of the American Institute of Banking: Henry H. Martin, New Netherland Bank, New York; Elmer H. Lewis, Citizens Central National Bank, New York; A. F. Babcock, Peoples Bank, New York; Harold Koster, Mechanics Bank, Brooklyn, N. Y.; F. S. Wandall, First National Bank, Mt. Vernon, N. Y.; D. V. Skidmore, First National Bank, Mt. Vernon, N. Y.; Frank C. Riggs, National Newark Banking Co., Newark, N. J.; Joseph F. Hammond, National Park Bank, N. Y.; Henry E. Schaper, United States Trust Co., New York; Harry V. Kelly, Mechanics Bank, 26th Ward, Brooklyn, N. Y.; Cyril Burch, Standard Bank of South Africa, N. Y. With words of encouragement and congratulation, and with a hearty grasp of the hand, Mr. Cannon presented a parchment to each graduate.

The music and singing by the Bankers Glee Club was exceptionally good and when the audience rose finally to the anthem "America," the enthusiasm and spirit evinced would gladden the heart of any Institute man whether he be from New York or from any other one of our chain of chapters.

Since the opening meeting we have settled down to serious work, and judging from the attendance at the lectures our work is being appreciated more than ever before. The weekly attendance with three lectures per week has been something over six hundred, averaging over two hundred for each night. The first year course in Practical Banking has the greater attendance, for all of our new men recognize the value of the instruction and are registered for the Institute Certificate. The lectures on Thursday evening for the second year men are attended by more experienced men who are working on more advanced problems of the banking profession. Dr. Crowell, who is giving a series of lectures on "Fundamental Business Conditions" for this course, has succeeded in rousing much interest. Keen pleasure and satisfaction is experienced by all who follow the valuable information contained in his lectures.

As announced before, Howard P. Mott, of the Bankers Trust Company, will follow Dr. Crowell in this course, and Mr. Mott in turn will be followed by Prof. Leslie J. Thompkins, of the New York University Law School. At the request of Mr. Thompkins his course will begin on the first Wednesday night in De-

cember instead of January 2. This will necessitate the attendance of all members of the second year course, except those who have previously passed the examination in Professor Thompkin's course on both Wednesday and Thursday evenings during December. Friday evening will be devoted to post-graduate work and a very interesting program has been arranged.

The attendance on Monday night has averaged over one hundred. The men in this course are gaining a great deal of benefit under Prof. H. N. Drury's excellent guidance and are very enthusiastic over the prospects for an enjoyable winter season. The value of a mastery of the English language is being recognized by every business man.

In addition to the above-named courses a series of lectures on the practical workings of the Credit Department will be given on Wednesday nights, beginning in January.

Owing to the large attendance on Tuesday evenings and the necessity for continuing the Thursday night lectures without interruption, chapter night for the rest of the season will be held on the third Tuesday of each month instead of the second Thursday as previously announced. A special program will be prepared for each of these nights and particular attention will be paid to the instruction of members concerning Institute policies.

Institute pins are selling very rapidly and every member is urged to possess one.

James J. Rogers is now foreign exchange manager of the Equitable Trust Company of New York.

T. N. Winter, of the Farmers Loan & Trust Company, has recently been appointed an assistant cashier of that institution.

OAKLAND.

By S. C. Scott.

OAKLAND CHAPTER has been unusually favored during the past few days in being the recipient of a number of both interesting and valuable gifts. Two of the principal donors are W. W. Cooley and Dr. Herbert J. Samuels. Mr. Cooley's contribution consisted of a half dozen volumes of the latest and most authoritative works on banking and finance, history and development of the United States Treasury, and other equally valuable works upon governmental topics. Dr. Samuels' historical collection of early commercial paper and banking forms, dating as far back as A. D. 1790, and consisting of drafts, bills of exchange, checks, court orders and releases, are realized by all of our members to be a prize and one which will be carefully deposited in the archives of Oakland Chapter. The following are among the forms in the above referred to collection:

1.

No. 1. Exch. £250.

New York, Jan. 13, 1800.

Thirty Days after Sight of this Third per Exchange (First, Second, and Fourth unpaid) pay to Morris Robinson, Esquire, or order, Two hundred and fifty Pounds Sterling.....
Value received, and charge the same to Account, of

Yours Obed't Serv't,

(Signed) D. McKINLEN.

To Messrs Boddington & Tharpe,
Mark Lane, London.

2.

Charleston, 22d March, 1804.

Exchange for 500 Dollars
Ten days after Sight of this my second Bill of Exchange (First of the same tenor and date unpaid).....Pay to Mr. James Morris, or order, the sum of Five hundred Dollars.....
for Value received and place it to Account, without any further advice.

(Signed) FREDERICK KOHNE.

Messrs. Jonathan Ogden & Co.,
Merchants,
New York.

3.

James L. Bogart }
vs. } Mayor's Court.
Nathaniel Nott }

On payment of three Dollars and your's and the Sheriffs fees, Discharge the Defendant from this suit.

Yours &c,

C. BALDWIN,

Atty. for Pltff.

Capt. Lamb

New York, Oct. 10, 1799.

A very enthusiastic and well-attended meeting (the opening meeting of the season), was held the other night, H. C. Capwell, president Security Bank & Trust Company, being the principal speaker. The burden and aim of his talk was to show the bank clerks the responsibility attached to their individual position, and that in filling that particular position, or job, if you please, in the most efficient manner, they were not only filling an important and very necessary place in life now, but were also fitting themselves by this experience and training to grasp and hold and develop the larger opportunities which would surely come later in life.

Ten more members have become graduates of the Institute and recently received their diplomas. Among this number are the present president and secretary of Oakland Chapter.

The chairman of the Educational Committee announces that he has been fortunate enough to secure Robert W. Harrison, deputy attorney-general, to deliver a lecture. We have had the pleasure of listening to Mr. Harrison on former occasions and his popularity is such that a simple announcement is all that is necessary to insure a full house.

PHILADELPHIA.

By Armitt H. Coats.

PHILADELPHIA CHAPTER opened its winter season with the usual smoker on the evening of October 4, and needless to say, the assembly rooms were packed to the doors with an enthusiastic gathering of members. An elaborate program was presented under the direction of Mr. Ash, who has proved to be a very capable manager on more than one occasion, and deserves a great deal of commendation for

his efforts in making this smoker such a huge success. Songs were much in evidence, interspersed with character sketches, and violin solos, with the legerdemain performer doing his turn, much to the delight of those endeavoring to solve the mysteries.

The delegates who attended the Salt Lake City convention gave some little account of their experiences, and were unanimous in their praise of the delightful manner in which they were entertained by the Salt Lake Chapter, and the cordial hospitality of the metropolis of the Far West. If personal reference may be pardoned, as I was fortunate enough to be one of Philadelphia's delegates to this convention, I must add in behalf of our delegation, that too much cannot be said in appreciation of this splendid entertainment, also that provided by the cities en route to the convention city, each one seemingly trying to surpass the other in the extent of its welcome. Suffice it to say, that the sentiment of the chapter of the City of Brotherly Love has never been more thoroughly awakened, renewing and strengthening the social ties and relations with our brother chapters, and Philadelphia is anxiously awaiting a reciprocal opportunity when offered to extend an open and glad hand to its benefactors.

But now that vacation trips and other summer festivities have been passed up for another year, our chapter boys are apparently more eager and anxious than ever to get down to hard work, and the real issue that stands at the front at this time is—EDUCATION—the very rock of the foundation on which the entire organization of the A. I. B. is built, and on which it has continued to thrive and prosper during the decade of its existence. We must stop here to emphasize the great work and the great good that is being accomplished by the American Institute of Banking through its medium of education.

Philadelphia Chapter, proud of its educational record and achievement, is still striving to reach a higher goal, and so much keen enthusiasm has been aroused that we are pleased to say the largest class in our history has been organized. More than one hundred and twenty members have already enrolled in the "Banking and Finance" class, and the lectures of Dr. Kemmerer of Princeton University covering this subject are presented in a most engaging and instructive manner. While this class consists mostly of our new and younger men, there is, however, plenty of work for our "post-graduates" yet to do. These senior members, so to speak, have organized the "Negotiable Instruments" class for advanced study; and it is said in completing this course they will have read about ninety per cent. of the law necessary for admittance to the Pennsylvania bar. The Educational Committee has decided to allow other chapter members to take this course if they so desire, and a large enrollment is expected.

Interest in the debating classes is being revived under the leadership of Charles B. Engle, and a strong organization will soon be effected to conduct this most valuable training incidental to the development of polished oratory. The real importance of this feature of chapter work is being impressed among our members, and it is urged that this section have its share of co-operation and activity.

The personnel of the various committees appoint-

ed includes many live wires, and the calibre of the men is such that should develop a strong team, which under the coaching and captaincy of President William A. Nickert will no doubt win many a battle on the gridiron of progress, and score numerous touchdowns in the evolution of Institute ideals.

Our lecture season was opened on the evening of October 18, and an excellent address was delivered by William Reed, assistant cashier of the National City Bank, New York, upon "Our Relation to the Prevailing Social Unrest." In his warnings against socialistic tendencies he suggests that all labor unions be compelled to incorporate, and further emphasizes that if in the days to come our citizens should be aroused by wily office-seekers, who appeal to their emotions rather than to their better judgment, and if they should be led astray by rank sophistry poured into their ears, such a situation would be fraught with great danger. If this feeling grows and demagogues are successful, we soon will be represented in our government by the most incompetent part of our citizenship. A victory for those who take up the cause of the unrestful as an expedient, will result in a prostration of business that cannot be otherwise than harmful to the entire country. Mr. Reed censures industrial and political troublemakers and those who are unreasonably discontented.

Cheeseman A. Herrick, president of Girard College, discussed the "Profession of Banking as Viewed by a Layman," and ranked the calling of the banker as being foremost in the realm of business activity, calling attention to the great trust that is reposed in the officers of banking institutions; further adding that such confidence is well placed, and the integrity of the banker must be preserved. In choosing men for positions of great trust it is perhaps most important to determine what use is made of their leisure time. Let us interpret this closing thought as being just another prod urging each and every member to take an active part in making the season of 1912-13 Philadelphia Chapter's banner year.

PITTSBURGH.

By Leo G. Griffith.

JUDGING by the large attendance at the opening meeting of Pittsburgh Chapter, October 8, and the interest and enthusiasm shown since, 1912-13 gives great promise of being the most successful year in the history of the chapter. The members are attending the educational classes every Tuesday evening in large numbers, it being nothing uncommon for two hundred to be present at these meetings. The meeting on October 8 witnessed the retirement of Harry E. Hebrank, and the induction into office of President B. O. Hill. Mr. Hebrank made one of the best presidents the chapter ever had; one of the most important things accomplished during his incumbency was an increase of 250 members. Mr. Hill, after having served the chapter efficiently for seven years as secretary, is exceptionally well fitted to give the chapter a very successful administration.

The big event of the season was the Pittsburgh-Cleveland Field Day, held in Pittsburgh, October 12, Columbus Day, this being a return compliment to

Cleveland Chapter for the very fine manner in which they entertained Pittsburgh members in June. The day's amusements consisted of a baseball game, golf and tennis matches, Pittsburgh winning the baseball and golf games, and tying the tennis games. These events were followed by a dinner and theatre party for 350 in the evening. There were about 175 in the Cleveland party, including a number of the officers of the leading banks and trust companies of that city. Two of the prizes offered by the "Bankers Home Magazine" or the best articles on different subjects, have been awarded to Pittsburgh Chapter members—Harry E. Hebrank on "Discounts," and Edward G. Fink on "Collections."

While Pittsburgh Chapter, with 1,006 members, stands second in the country in point of numbers (New York City being the only one to outrank it), it stands first in the country in proportion to the number of bank clerks eligible for membership. To give some idea of the rapid growth of Pittsburgh Chapter, it is only necessary to say that it has as large a membership as Albany, Buffalo, Cincinnati, Cleveland, Denver, Detroit, Kansas City and Louisville combined.

A glance at the list of speakers of national prominence, who have been engaged to address Pittsburgh Chapter, and the educational program as given below, will demonstrate the fact that the slogan "PITTSBURGH PROMOTES PROGRESS" is not a misnomer:

Hon. Lawrence O. Murray, Comptroller of the Currency; Hon. Lee McClung, Treasurer of the United States; Hon. A. O. Stanley, Chairman United States Steel Probe Committee; John E. Wilkie, Chief of Detective Bureau of the United States; T. E. Dockrell, New York; C. Stuart Patterson, Philadelphia; Fred I. Kent, New York; Jas. G. Cannon, New York; Wm. J. Burns, New York.

The entire list of lectures of the 1912-13 season is as follows:

October 15, McLean, 7.30 to 8.30, Introductory: "Comparing Commercial and Bank Bookkeeping, Messengers"; Conrad, 8.30: "Law on Contracts; Definition; Outline of the Law; Formation; Discussion of Offer and Acceptance; Competency of Parties; Consideration; Subject Matter and Legality of Object."

October 22, Brogan, 7.30 to 8.30: "Brief History of Letter Writing; Chief Qualities of Good Business Letters"; Conrad, 8.30: "Interpretation and Construction of the Law of Contracts; Rules of Evidence, Operation, Herein of Assignability, Negotiability, Equitable Rights, Penalties and Liquidated Damages."

October 29, McLean, 7.30 to 8.30: "Corresponding Clerks"; Conrad, 8.30: "Termination, Herein of Performance, Condition, Breach, Impossibility, Bankruptcy."

November 12, Brogan, 7.30 to 8.30: "Punctuation Marks and Abbreviations—the Former Bugbear Simplified, with Short Cut to Its Mastery. Abbreviations in Common Use, with Their Derivations"; Conrad, 8.30: "Agency and Partnership. Nature Rights and Duties Arising Out of the Relationships."

November 19, McLean, 7.30 to 8.30: "Individual Bookkeepers, Bank Bookkeepers and General Bookkeepers"; Conrad, 8.30: "Decedent Estates—Administration and Distribution of Personal Property."

November 26, Brogan, 7.30 to 8.30: "Business and Social Letters, Discussion of the Different Kinds, with

Illustrations"; Conrad, 8.30: "Probate of Wills; Accounts; Audits; Special Performance."

December 10, McLean, 7.30 to 8.30: "Collection Clerks; Discount Clerks; Clearing House Clerks; Exchange Clerks"; Conrad, 8.30: "Decedent Estates—Canons of Descent; Pennsylvania Intestate Laws; Life and Trust Estates."

December 17, Brogan, 7.30 to 8.30: "Some Incorrect Expressions; a list of Such Expressions, with Corrected Forms"; Conrad, 8.30: "Bankruptcy and Pennsylvania Insolvency Laws; Acts of Bankruptcy; Jurisdiction of Courts; Compositions; Receivers and Trustees."

January 14, Debate, 7.30 to 8.30; Conrad, 8.30: "Administration and Distribution of Bankrupt Estates; Liens and Discharges."

January 21, Brogan, 7.30 to 8.30: "From Sentence to Paragraph. From Paragraph to Theme. A Method for the Preparation of a Paper"; Conrad, 8.30: "Sales and Bailments; Nature Delivery; Price; Stoppage in Transits; Leases of Personal Property."

January 28, Debate, 7.30 to 8.30; Conrad, 8.30: "Bailments, Nature of; Pledges; Pawns; Collateral Securities."

February 11, Brogan, 7.30 to 8.30: "Pronouns and Verbs—A Comprehensive Method for Using Them Correctly"; Conrad, 8.30: "Common Carriers; Inn Keepers and Warehousemen."

February 18, Debate, 7.30 to 8.30; Prof. Holdsworth, 8.30: "Corporation Finance."

February 25, Brogan, 7.30 to 8.30: "Fragments—Some Things Not Included in Previous Talks"; Holdsworth, 8.30: "Corporation Finance."

March 11, McLean, 7.30 to 8.30: "Receiving Tellers; Paying Tellers"; Holdsworth, 8.30: "Corporation Finance."

March 18, Debate, 7.30 to 8.30; Holdsworth, 8.30: "Corporation Finance."

March 25, McLean, 7.30 to 8.30: "Proof Clerks"; Holdsworth, 8.30: "Corporation Finance."

April 8, Debate, 7.30 to 8.30; Holdsworth, 8.30: "Corporation Finance."

April 15, McLean, 7.30 to 8.30: "Auditors"; Conrad, 8.30: "Taxation, History; Taxation by State and National Government; Present Plan."

April 22, Debate, 7.30 to 8.30; Conrad, 8.30: "Taxation, Single; Income and Occupation Tax."

April 29, Debate, 7.30 to 8.30; Conrad, 8.30: "Insurance—Fundamental Principles; Average Policies; Companies."

May 13, Debate, 7.30 to 8.30; Conrad, 8.30: "Beneficiaries; Insurable Interest; Various Kinds of Insurance; Distinctions; State Regulation; Insurance and Crime."

May 20, Brogan, 7.30 to 8.30: "Review—Improving One's Self in English"; Conrad, 8.30: "Mortgages—Nature of the Lien and General Discussion."

ST. LOUIS.

By James M. Turley.

ON October 15, St. Louis Chapter began the season of 1912 with a meeting at the Mercantile Club, about three hundred being present. Luncheon, cigars and music were a feature. F. C. Ball, president of the chapter, presided. Mr. Saunders Nor-

pany and formerly president of the Norvell-Shapleigh Hardware Company, traveler, humorist and editor, spoke briefly on "St. Louis, the City of Opportunity." Mr. Norvell is a good friend of the chapter and can always be depended upon for words of encouragement. The Rev. M. H. Lichtler, D.D., spoke on "Specialism and Efficiency" and held the undivided attention of his hearers. Hon. Robert W. Bonyng, of Denver, a member of the National Monetary Commission, delivered a most instructive address and made an eloquent plea for intelligent thought and action by bank men in reference to the solution of currency problems. While disappointed at the treatment given these important matters by the political leaders and in the political platforms, he hopes for reform when the public is educated to the necessity for it and the means of accomplishing the desired result. William McChesney Martin, who will conduct the class in practical banking, outlined the work to be done and suggested the advantages to be obtained by intelligent effort. The class in Banking and Commercial Law will again be conducted by Manton Davis, who was so successful last year. The meeting closed after the presentation to Byron W. Moser of a beautiful silver loving cup, appropriately inscribed, which was the gift of St. Louis Chapter in honor of his election to the presidency of the Institute. Mr. Moser was much affected by this tribute of esteem and responded briefly, pledging his best efforts to the welfare of the organization.

On October 14, arrangements were made between the St. Louis Clearing House banks and trust companies and the St. Louis Chapter of the American Institute of Banking, whereby the chapter will receive \$500 this year from the banks and trust companies of St. Louis to assist in the educational work of the chapter. Two classes are to be held each week, Tuesday and Friday, one in Banking and one in Law, using the text-books of the Institute. The classes are to be conducted by two of the most able men in the city in their respective lines, and much interest is being shown by the members.

SALT LAKE CITY.

By Frank Beckwith.

THE year's work in Commercial Law has begun under the tutorship of E. Conway Ashton, of the faculty of the University of Utah and practitioner at law. Mr. Ashton had charge of this work in the Institute two years ago. His work at that time was so practical and so thorough, and the subject so well handled, that not only is his course well supported by chapter members, but young men not engaged in financial houses have applied to the chapter to permit them to take this course, and are anxious to enroll as associate members in order to accomplish that purpose. It is very gratifying to say that the classes are well attended and the interest keen.

This year Salt Lake Chapter is holding four meetings per month, alternating open meetings with commercial law study nights; at the open meetings the usual routine matters coming up in the chapter's affairs are first attended to, and then speaking, lectures, debates, entertainment, or other features complete

the evening. A. G. Keller very nicely made an evening's entertainment by giving the members a musicale on the piano, and the members who sing gathered round the instrument and the evening was a treat.

A mixed program of interest has been provided by the Educational and Entertainment Committees, and they are encouraged to better efforts by the support that is given them by the members. The attendance is better than last year and the boys seem better interested, not only in the work of the course, but in the relaxation as well. "Even the best of men like a little nonsense now and then." A judicious mixture of fun and work will pull. During the course of the winter months an opportunity will be duly accorded all those who wish to take as active a part as they may desire in debate, speaking, essays and kindred subjects, that each may be benefited as much as possible by participation. Not only will those presenting these topics be benefited, but the whole chapter as well, especially the younger members. These columns will contain detailed presentation of the various special treatments.

SAN FRANCISCO.

By Wm. A. Marcus.

THE San Francisco Chapter's announcement for the season 1912-13 gives promise of continued activity. The program will include the following lecturers: Prof. H. Morse Stephens, of the University of California; Prof. Thomas H. Reed, of the University of California; Prof. Maurice E. Harrison, lecturer in the University of California; Prof. A. C. Whitaker, of Leland Stanford University; Robert W. Harrison, Hastings Law College.

The addresses for the season will be delivered by Frank B. Anderson, president of the Bank of California, N. A.; F. L. Lipman, vice-president of Wells-Fargo Nevada National Bank; James K. Lynch, vice-president of the First National Bank of San Francisco; Max Thelen, attorney for the California Railroad Commission; Col. Charles E. Woodruff, Medical Corps, U. S. A., Hon. Duncan McKinlay, Surveyor of Customs at San Francisco, Cal.; Robert M. Welch, vice-president Savings Union Bank and Trust Company of San Francisco; John D. McKee, vice-president of the Mercantile National Bank; G. K. Weeks, with N. W. Halsey & Co.

Papers will be read by F. C. Mortimer, cashier First National Bank of Berkeley; Russell Lowry, cashier American National Bank; W. F. Duffy, auditor Anglo & London-Paris National Bank; D. L. Clarke, assistant secretary Savings Union Bank and Trust Company; Victor Palmer, with First National Bank; W. F. Hovey, with First National Bank; William A. Day, assistant cashier Savings Union Bank and Trust Company; H. Choynski, assistant cashier Anglo & London-Paris National Bank; John Clausen, manager Foreign Exchange Department, Crocker National Bank.

Classes in Banking and Finance will be conducted on Wednesday afternoons at 5.15 o'clock for members desiring to obtain Institute Certificates, and the Law lectures will be held on Friday afternoons at 5.15 o'clock. The opening smoker was held in the chapter rooms on Wednesday evening, September 25, and the local talent provided an evening's entertainment of

the usual high standard. Thirty Consuls were seated at dinner on the night of October 3, and discussed the plans for the coming year. Delegates to the last convention and several of the chapter officers impressed upon the Consuls the necessity of giving first thought to education.

On October 9 Max Thelen, attorney for the Railroad Commission, gave an address on the "Public Utilities Act of the State of California." According to Mr. Thelen, the act of 1911 empowered the Railroad Commission to enforce the provisions of the public utility law, which permits them to fix rates, require good service, and issue orders for extensions and supervise the issues of stocks and bonds. He declared that the act on the statute books of California was as broad and effective as any in the United States. Continuing, he said in part: "A close tab is kept on stock and bond orders to see that funds go for the purpose specified. Only recently we called a stop on a corporation that was making an entirely different issue than mentioned in its application. When one utility is serving a community another cannot get permission from the commission to enter the same field unless it can be shown that the established utility is making a high charge for its service. The result of the Commission's work in this matter alone is now saving the consumers of the state millions of dollars yearly. The work of the Commission properly handled means more prosperity for the utility companies and the public as well. Proper regulation, in view of the temper of the people, is the only safeguard the corporations have against socialism. One important feature about the present utility act is that it allows of speedy court procedure."

SEATTLE.

By W. T. Burke.

THE first fall meeting of the Seattle Chapter was held Thursday evening, October 3, in the club rooms in the Ballargeon Building. The meeting was called primarily to enroll those desiring to take the course in Banking and Law the coming winter and to receive reports of the delegates to the Salt Lake City convention. The Entertainment Committee, however, had been so fortunate as to secure Congressman William E. Humphrey to address the chapter on "The Panama Canal." Mr. Humphrey showed his close acquaintance with canal affairs, especially with the legislation passed at the last session of Congress. He predicted a great expansion of trade for the Pacific Coast as soon as the canal is completed, and pointed out how interior points will be benefited as well as coast cities.

J. C. Norman, assistant cashier of the Dexter Horton National Bank, spoke of the necessity of bank men preparing themselves for promotion, and urged everyone who possibly could to take up the Institute course. He intimated that bank officers are not only willing, but anxious, to do all they can to help the Institute.

The delegates to the convention were our president, J. C. Glass, C. R. Harris and L. H. Woolfolk of the Scandinavian American Bank; R. H. MacMichael and W. R. Bow of the Dexter Horton National Bank;

Geo. R. Martin of the Seattle National Bank, and the chapter secretary, R. P. Callahan, of the National Bank of Commerce. Each of the delegates told something of their trip and their impressions of the convention. They were unanimous in their praise of the entertainment provided for them, both at Salt Lake City and at the other stops they made. After listening to the different reports one could not help being impressed by the apparent enthusiasm displayed by all taking an active part in the convention. It seems to the writer that every chapter should make a special effort to send their full quota of delegates to the annual convention, since almost without exception these men come home with new and broader ideas as to the work the Institute leaders are trying to do. A few active men with the proper conception of what the Institute really stands for will go far towards making each chapter a success and a unit of the national organization.

A library committee has been at work for some weeks compiling a list of books, periodicals and financial papers to be acquired. It is hoped that before many months the chapter will be the possessor of the best financial library in the city.

Our educational director, Mr. Hannan, was called upon for an outline of the manner in which he intended to conduct the class during the winter. He said it would require strict attention to business and considerable study to get the most out of the course. In spite of the fair warning as to the work required however, a class of 110 has been enrolled and everyone seems to be starting out with the intention of making use of his spare time during the next few months.

After listening to several musical numbers furnished by University of Washington talent, one of the best attended meetings in the history of the chapter came to an end.

SYRACUSE.

By W. W. Seymour.

A DEEP interest in the work of the Institute is being shown by the members of Syracuse Chapter. Our educational meetings, under the able guidance of Prof. Tucky, are already having their effect. When two or three bank employees meet now the usual commonplace remarks are quite apt to be dispensed with, the conversation indicating the change in the trend of thought which we are all experiencing in a greater or lesser degree. This change is not along the lines of least resistance by any means for it is hard work for most of us to keep up with Professor Tucky. However, it is an admitted truth that anything worth while requires hard work and perseverance.

Keen interest is being shown in the adding machine contest to be held next month and Messrs. Boyd and Bashore, the leaders in the debate to be held in December, are picking their team-mates.

Albert P. Fowler, vice-president and counsel of the First National Bank of Syracuse, addressed the chapter at our opening meeting on "The Value of Organizations," laying special emphasis on the mutual benefits to be derived from Institute work to both banks and employees.

On October 24, J. F. Woese, of the Onondaga County Savings Bank, gave an illustrated lecture on "Finger Print Identification." The interesting manner in which Mr. Woese handled the subject was a complete surprise to his fellow-members and proved conclusively the value of chapter work. Mr. Woese was one of the active men in the organization of Syracuse Chapter, and we are glad to see him master this question which is becoming daily more important in banking circles. Representative bank men from all the principal cities of Central New York were present. We hope to see them often and get better acquainted.

The membership papers have been delivered as per schedule in October Bulletin, and Messrs. Wise, White, Stout and Lamb are to be congratulated on the able manner in which they handled their respective subjects.

WASHINGTON.

By Frank V. Grayson.

ON Thursday evening, October 10, this chapter began the season of 1912-13 and from all indications we are going to have a year of great benefit to us all. We have for officers and governors this year men of the type of the preceding year—those that have made good in their own institutions—and we know that they will give to this chapter this year the benefit of their knowledge and earnest co-operation.

It was certainly gratifying to listen to the talks from the delegates to the annual convention held at Salt Lake City, Utah, and to know how they conducted themselves with the interests of Washington Chapter ever before them. Mr. Nevius told of his trip which included Seattle, Wash., and other northwestern cities, and of former Washington City bank clerks he met and how he found them all making good. Mr. Doing described the trip to Salt Lake and through the Yellowstone Park. Mr. Addison spoke in glowing terms of the hospitality of the people of Salt Lake and of ONE in particular—we understand that each delegate was furnished one—a feat that few cities can boast of—a gentle hint to Richmond, Va. Mr. Devereux spoke on the convention and its purposes, giving a general idea of the scope of its endeavors to uplift the banking profession. Mr. Spaid was excused from speaking, but everyone knows that it was due to the untiring energy of this member that Washington Chapter was fortunate in having elected its

candidate—H. V. Haynes—to the vice-presidency of the Institute.

Mr. Haynes made a sterling talk on the history of the Institute and its phenomenal growth and benefits. We now have in the Institute seventy-five chapters with a membership of 13,917 and Washington Chapter ranks fourth in the number of certificate men with thirty-four. Get busy, boys, and let's double this number by the end of the season.

President Ernest E. Herrell announced the chairmen for the following committees: Education, W. W. Spaid; Entertainment, C. H. Doing, Jr.; Membership, F. G. Addison, Jr.; Debate, F. B. Devereux; House, E. T. Love; Finance, H. V. Haynes; Press, F. V. Grayson; General Affairs, A. M. Nevius.

The president has issued a circular letter to the members to kindly pay their dues when due so that Washington Chapter will have funds on hand to carry forward the good work. The Bulletin list is being revised and those not paying their dues will be dropped from the roll. Boys, if you have your own interest at heart, don't be one of these. The Bulletin alone is worth the price of a year's dues, and you should not be without it.

WHEELING.

By William W. England.

WHEELING CHAPTER has been organized with thirty members and prospects of more. It was decided to hold meetings every week in the year, and at three of these weekly meetings the members will study banking and finance, while at the fourth meeting they will be addressed by some prominent speaker on a subject that is in line with their work. The next meeting will be held on the evening of November 12, when the members will be addressed by President Hill, of the Pittsburgh Chapter of the organization. There are over forty banks in the Wheeling district whose employees are eligible to become members, and it is hoped that the membership will be greatly increased by the next meeting. Officers were elected as follows: Robert Lee Boyd, of the National Exchange Bank, president; Edward Diehl, of the South Side Bank, vice-president; William W. England, of the Center Wheeling Bank, secretary; Henry Benecke, of the Dollar Savings Bank, treasurer; H. M. Oberman, of the City Bank, and Harold Martin, of the Security Trust Company, members of Executive Committee.

